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NEWS SUMMARY

GENERAL

Fourth hunger striker ends fast

Relatives yesterday asked doctors to save H-block hunger striker Matthew Devlin as he approached death on the 52nd day of his fast. He is the fourth hunger striker to end his protest.

Mr Devlin, 31, who was sentenced to seven years in 1977 for the attempted murder of police officers, was taken from Ulster's Maze prison for emergency hospital treatment.

3 die in aircrash

Three people died when a light plane crashed into a stationary aircraft in front of thousands of spectators at Cranfield air show near Bedford.

Tankers attacked

The General Council of British Shipping asked the Trade Department for help in stopping a wave of pirate raids on oil tankers near Singapore. Page 3

Envoy shot

The French ambassador to Lebanon, Louis Delamare, was shot dead by gunmen who ambushed him only yards from his home in West Beirut.

Kania threat

Polish leader Stanislaw Kania warned Solidarity on the eve of its first congress that he would declare a state of emergency if necessary. Page 2

SA ejected

South African delegates were ejected from the UN general assembly after being prevented from speaking in the resumed debate on Namibia.

Pit blast kills 65

Sixty-five coalminers were killed in a pit explosion in northern Czechoslovakia, the country's worst mining disaster for 20 20 years.

Pay accord

TUC leaders of the Left and Right struggled to an uneasy agreement over the future of pay bargaining under a Labour Government. Back Page

Healey confident

Denis Healey predicted he would secure a substantial majority of trade union votes in the contest for Labour's deputy leadership. Page 3

More files found

A batch of confidential medical files was found on a Cornwall rubbish tip two days after a *find of Harley Street record in* Leicestershire.

Ban quashed

Israel's supreme court quashed a *ministerial* ban on archeological work in old Jerusalem in an embarrassing move for the Begin Government.

Dissident jailed

Veteran Soviet dissident Anatoly Marchenko was sentenced *to 10 years in a strict* regime labour camp for anti-Soviet agitation.

Alec Waugh dies

Novelist Alec Waugh, brother of Evelyn Waugh, died in hospital in Tampa, Florida, after a stroke. He was 83.

Pandemonium

London Zoo officials played down fears that giant panda Ching Ching may not be pregnant after all—135 days after attempted artificial insemination.

Briefly . . .

Strong earthquake shook Los Angeles for more than 15 seconds.

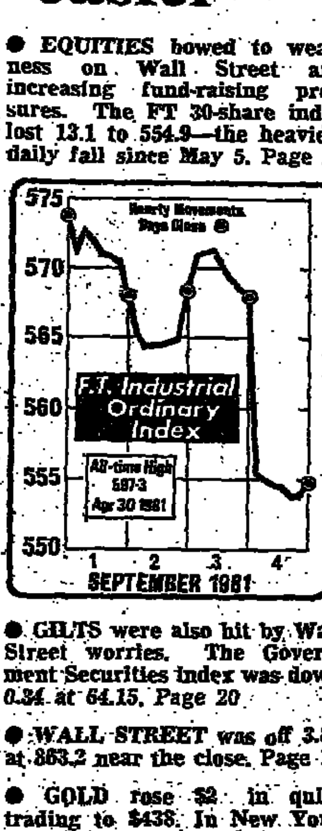
Man died when a bomb exploded in a shopping centre in East London, South Africa.

General Torrelio Villa was appointed president of Bolivia.

BUSINESS

Equities fall 13.1; dollar easier

● **EQUITIES** bowed to weakness on Wall Street and increasing fund-raising pressures. The FT 30-share index lost 13.1 to 554.9—the heaviest daily fall since May 5. Page 20



● **GILTS** were also hit by Wall Street worries. The Government Securities index was down *0.34* at *64.15*. Page 20

● **WALL STREET** was off 3.81 at 863.2 near the close. Page 16

● **GOLD** rose $2 in quiet trading to $438. In New York the Comex September close was $437.50. Page 19

● **DOLLAR** was easier at DM 2.4125 (DM 2.426); FFr 5.8 (FFr 5.8275), SwFr 2.0975 (SwFr 2.12) and Y229.75 (Y230.3). Its trade-weighted index fell from 110.4 to 110.3. Page 19

● **STERLING** failed to capitalise on the dollar's weaker trend, falling 20 points to $1.8430. It eased to DM 4.4434 (DM 4.48), FFr 10.685 (FFr 10.75) and SwFr 3.8675 (SwFr 3.915). Its trade-weighted index was 90.5 (90.8). Page 19

● **FRANCE'S** leading banks are to cut their prime lending rates from 15.3 per cent to 14.5 per cent on Monday. Back Page

● **PANAVIA**, the trinational consortium building the Tornado combat aircraft, is *discussing a slow-down in deliveries*. Back Page

● **NORTH SEA** proposed £2.7bn gas gathering pipeline network may have to be wholly funded by the Government, *Treasury officials fear*. Back Page

● **JAPANESE GNP** grew 1.2 per cent in real terms in the *second* quarter compared with the first quarter — mainly *because of export* performance. Page 2

● **U.S.** unemployment rose *slightly in August to 7.2 per* cent. Wholesale prices increased 0.3 per cent.

● **FORD** manual unions claimed an increase of £20 a week and a 35-hour week. Page 3

● **PILKINGTON BROTHERS**, glass *group, shed more than* 2,000 jobs in the last six months, the AGM was told. AGM report, Page 14

COMPANIES

● **CATTLE'S (HOLDINGS)**, financial services group, recorded pre-tax profits of £134,000 for the half-year to *June 30, against a pre-tax loss* of £285,000 for the six months to September *30, 1980. Page 14*

● **CARLTON INDUSTRIES**, Hawker Siddeley subsidiary, saw pre-tax profits fall from £8.04m to £2.04m in the first half. Page 14

● **CHARCON**, Charterhouse Group subsidiary, demanded a special shareholders' meeting after losing its *£1.65m bid* for the Mono division of Wettern Brothers. Page 14; Lex, Back Page

● **ENDEAVOUR RESOURCES** of Australia, part of the Bond Corporation, *cancelled its* A$50m (£31m) bid for Northern Mining. Page 17

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Glazo	414	+ 6
James (Maurice)	22	+ 2½
Milford Docks	140	+ 12
Warrington (T.)	84	+ 5
FALLS		
BAT Inds.	373	− 12
Bowater	254	− 8
BH Prop.	760	− 20
Brown (J.)	84½	− 7½
Crouch (D.)	172	− 11
Distillers	206	− 9
Ferranti	600	− 25
General Accident	376	− 10
GEC	790	− 20
Grand Met.	193	− 5
GRE	348	− 6
ICI	266	− 4
Lucas Inds.	223	− 7
Midland Bank	342	− 6
Phoenix Assurance	300	− 8
Pilkington	328	− 27
Plessey	376	− 15
Racal Elec.	455	− 11
SA Breweries	205	− 12
Thorn EMI	465	− 10
Trusthouse Forte	126	− 4
Utd. Biscuits	132	− 4
Vickers	175	− 7
Wilson (Connolly)	200	− 8
KCA Intnl.	130	− 5
Bond Crpn.	174	− 14
Hartebeest	£30¼	− 1½
Rand London Coal	65	− 7
Rand London Crpn.	168	− 24
RTZ	532	− 28

Petrol war restarts as companies bring back price support

BY SUE CAMERON

A PETROL war has started sweeping through many parts *of* Britain only 12 weeks after the main oil companies stopped cutting prices at the *pumps* to stem rising losses.

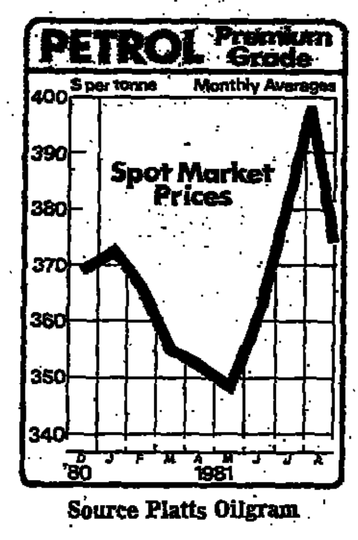
Shell, Esso and BP Oil admitted last night that they had been forced to bring back price *support* for dealers in selected areas. Many motorists will now *pay up to 2p a gallon less*.

The oil companies said sales had dropped as much as 20 per cent in some areas after their attempt to raise pump prices by *5.5p a gallon* in the middle of last month. The price rise took the average cost of a gallon of four star to 169.5p, but the increase, which is the third in as many months, has failed to hold up at the pumps.

The first signs of a price war came last weekend when Shell and Esso decided to reintroduce price support for dealers in certain areas. BP Oil followed suit.

The three oil giants said they were giving support to dealers on a localised basis. But last night there were reports of fierce competition in Scotland, the West *country, South Wales*, the North West and many urban areas.

The oil groups are blaming the smaller petrol companies *and the hypermarkets for starting* the latest round of price cuts. They say some hypermarkets have been selling petrol for 160p a gallon.



Source Platts Oilgram

BP pointed out last night *(September 3)* that the spot market price of petrol had fallen by $24 a tonne during August from between $398 and $374 a tonne. This had made it *worthwhile for some smaller* companies, including independents, to start importing petrol to undercut their competitors.

The fall in the Rotterdam *spot price followed* the world oil glut caused partly by the recession and the ensuing drop in demand for oil products, and partly by Saudi Arabia maintaining a high output.

BP said it had reintroduced price support as a "purely defensive measure." *Support of up* to 2p a gallon was designed to protect retailers' margins in areas of "severe competition."

With its National subsidiary, is has about 5,000 petrol outlets in the UK, but the company said it was *giving price support* only to a "few hundred dealers."

Three months ago, BP led the way in ending price support of up to 10p a gallon for dealers all over the country. The big companies said they were calling a truce in the petrol price war because they could no longer bear huge losses on their refining and retailing operations.

Shell, Esso and BP had all been spending about £1m a week on price support. All three remained in deficit even after the withdrawal of price support

Petrol prices *have risen* since and the oil groups say they are hovering around *break-even* point. But they say they need further increases in the price of petrol and other oil products to restore adequate profitability.

Japan may buy UK oil, Page 3
***Doubts over pipeline funds*, Back Page**

Tear gas quells Cairo riot

BY ANTHONY McDERMOTT IN CAIRO

RIOT POLICE clashed with *Moslem demonstrators* in Cairo yesterday after the wave of arrests earlier this week in which more than 600 people, including leading opponents of President Sadat, were detained.

The clash took place near the city's Coptic Christian cathedral where the demonstrators had marched after emotional Friday *prayer meetings. Several people* were injured in the fighting, in which several thousand police fired tear gas and the demonstartors retaliated with stones and paving slabs.

Among those detained were several senior Moslem clergymen as well as Coptic church officials. There were calls on President Sadat to release the detained Moslems in sermons during the prayers and speeches afterwards.

The latest episode of rioting follows last June's street fighting between Copts and Moslems in the north east area of Cairo, *Al-Zawya al-Hamra*, in which at least 207 people died.

Mr Sadat has *taken* this sectarian strife as his excuse for a comprehensive purge of those whom he feels have exploited religious differences *and those opposed to his policies* generally.

Mr Sadat is to address the nation this evening to give what Al-Ahram, the semi-official *daily, described yesterday* as "stunning details of the plot of sectarian sedition and the facts on the role played by the instigators who were arrested two days ago."

Yesterday, the marchers *started* from Ain Al-Hayat mosque, whose blind prayer leader, Sheikh Kishk, was among those arrested. It is not clear whether they were deliberately heading for the cathedral, but on that particular route it could not be avoided. As the crowd, estimated at about 4,000, drew close, the police intervened with tear gas and the demonstrators retaliated before dispersing.

Mr Sadat's purge of extremist or opposition groups and *publications*—six newspapers and magazines were closed on Thursday — was completed yesterday with the sealing of the offices of the National Progressive *Unionists*, headed by Mr Khaled Mohieddin.

Their printing presses were *removed. On Wednesday the* party, which has no seats in the *People's Assembly*, had been distributing lists of those arrested.

Newspapers have been remarkably open about naming the detainees, even grouping them under such specific titles as Imams of mosques, leaders *of Islamic groups*, Christian bishops and priests, leaders of former political parties, and journalists and lawyers.

Toshiba halts Eurobond issue

BY ALAN FRIEDMAN

SHOCK WAVES *rippled through* the *Eurobond market yesterday* as Toshiba Corporation, the Japanese electronics group, postponed indefinitely its planned *$100m Eurodollar convertible* bond issue.

The decision came in the wake of a dramatic slump this week in the prices of Japanese convertible bonds—fixed rate bond which, through their life, *can be exchanged by the holders* for a predetermined number of shares of the issuing company.

Since June, Japanese bonds issued on the European capital markets and denominated in dollars, sterling and Swiss *francs have totalled $1.5bn, and* the markets have been braced *for a rush of some 30 new* Japanese issues a month between now and the end of *November*. Those could have totalled a further $2.5bn to $3bn.

Only this week, Nippon Electric, the computer and communications group, announced plans to raise £40m through a *convertible bond to be issued* in the domestic sterling market.

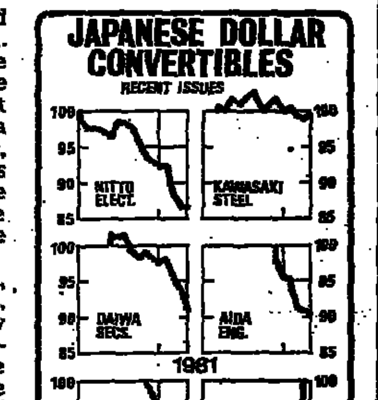
The postponement of the Toshiba issue came on the advice of Credit Suisse First Boston (CSFB) and Nomura Securities, the lead managers, *which felt that this week's* dramatic slump in Japanese convertible bond prices made the issue inappropriate at the moment.

Mr Michael Dobbs-Higginson, an executive director of CSFB, *explained last night: "In view* of the chaotic conditions prevailing, and the totally negative market reception to Japanese convertibles, we and Nomura advised Toshiba that the issue should be postponed."

In Tokyo the Japanese ministry of finance has *informally* contacted leading securities houses to ask them to refrain from moving too quickly with *new* issues.

Several leading managers in London are *now expected* to take the unusual step of with-

Continued on Back Page



● All issues are of 15 years maturity, except Nippon Chemi-Con wich is 10 years. *Prices are shown from first* day of trading on the secondary market.

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For latest Share Index phone 01-246 8026

Washington plans to boost nuclear technology exports

BY DAVID FISHLOCK, SCIENCE EDITOR

WHOLESALE CHANGES in the U.S. Government's attitude towards exporting nuclear technology were heralded by a senior State Department official *yesterday in a major statement* in London on nuclear proliferation policy.

The U.S. was eager to become a world leader again in nuclear exports, Mr James Malone, asistant secretary for *ocenas and international affairs*, told the annual symposium of *the Uranium Institute*.

Mr Malone said the new U.S. policy would mean "not only appropriate support for export opportunities but also pursuit of *co-operative understanding* with other nuclear suppliers that will enable U.S. manufacturers to compete on an equal basis."

He *stressed* that a "reinvigorated American presence" in *nuclear trade was not* going to be bought at the expense of a weaker policy on preventing nuclear weapons proliferation.

But the U.S. had learned that any attempt "to dictate the *shape and content of world* nuclear commerce by unilaterally imposing conditions was bound to fail."

Mr Malone stated four ways in which U.S. policy was to change:

● The *abolition of case by-case* approvals for the transfer of spent nuclear fuel, for example to the re-processing plants of British Nuclear Fuels and *Cogema its French counterpart*.

● No more U.S. attempts to *inhibit* fast-breeder reactor or spent-fuel re-processing programmes in other countries with advanced nuclear power programmes "where it did not constitute a proliferation risk."

● An end to *government delays* in authorising nuclear exports.

● *Assurance of adequate capacity* to supply uranium-enrichment services to foreign customers.

Mr Malone also indicated that the Reagan *Administration was* reviewing the U.S. Nuclear Non-Proliferation Act of 1977 "to determine what changes might be necessary to expedite the export process and enhance the credibility and competitiveness of the U.S."

He assured the uranium-supply industry that the current U.S. policy of phasing out uranium import restrictions *would continue*. The current ills of the U.S. uranium industry lay with lack of *domestic* demand. The cure was a "broad-based and sustainable expansion of the role of nuclear power."

Mr Anthony Grey, chairman of Pancontinental Mining, told *the symposium that Mr Malone's* statement was a major policy departure from that of the previous administration. It was "pragmatic but still highly *principled*."

Mr Grey said the U.S. had enhanced the chances of an international consensus on the control of nuclear proliferation *emerging*.

John Brown rights issue seeks to raise £24.9m

BY IAN RODGER

JOHN BROWN, the gas turbine and engineering group, is seeking £24.9m from its shareholders in a one-for-three rights issue at 76p per share.

This second large cash call of the week—hotel group Trusthouse Forte asked for £87.2m *on Tuesday*—was widely cited as one of the causes of the sharp decline in *London share* prices yesterday. The FT 30-Share Index fell 13.1 points to 554.9 *after having rested* at the 568 level all week. John Brown *shares shed 8p to 84p*.

Last spring, as the equity market was hitting new peaks, dozens of companies queued up to flood the market with rights issues. By the end *of June*, nearly £1.3bn had been raised, *more than in the whole* of 1980. Under this constant pressure, the FT Index fell *from* its all-time high of 597.3 on April 30 to 512.2 in mid-July.

The flow of rights issues then slowed. The market recovered significantly last month, the FT 30 finishing at 573.8.

John Brown's issue comes a little more than a *year after* the group paid $80m (£43m) to buy the U.S. plastic and textile machinery company, Leesona.

The group expects a number *of significant business developments* in the near future. It

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£ in New York

	Sept. 3	Prev ous
Spot	$1.8480-8500	$1.8510-8530
1 month	0.73-0.80 pm	0.50-0.57 pm
3 month	2.20-2.30 pm	1.95-2.05 pm
12 months	6.80-7.00 pm	6.65-6.85 pm

Hanson in full-scale £73m bid for Berec

By Christine Moir

SIR JAMES HANSON has followed his July dawn raid on the shares of Berec, the Ever Ready battery group, with a full-scale bid worth £73m.

On July 10 Hanson Trust, Sir James's international holding company, snapped up 11 per cent of Berec *to take* its holding to 14.9 per cent. It followed this by a *£44m rights issue* designed to produce funds for further acquisitions.

Last night Hanson announced the terms of its full offer. *Berec's shareholders* are being offered three Hanson shares for every eight they own. *With* Hanson's shares standing at 294½p in the market yesterday this values the bid at 110p per share, compared with a market *price for Berec yesterday* of 93p, down 1p.

There is also a cash alternative of 105p a share which Hanson said last night would be met from its own resources.

The market has been expect*ing Hanson to make an offer for* Berec since its July move. Ahead of that event Berec's shares had been standing in the market at about 57p, just above the 50p *low for the year*.

The market price moved up ahead of Hanson's dawn raid when it paid 95p for its rapidly acquired stake. The price has *held up ever* since although Hanson said at the time that it had no immediate *intention of* adding to its stake.

After Hanson had acquired the stake Mr Colin Stapleton, chairman of Berec, said he was "*delighted that a company such* as Hanson should be interested in us."

Berec has had a troubled history since 1977 when pre-tax *profits peaked at £29m* and the stock market valued it at £140m. Last year profits had dropped to £10.5m, below the board's forecast made last October. The *market* value slumped correspondingly to £40m.

Its main problem had been the advance of battery technology involving mercuric and silver oxide and alkaline manganese which offered both smaller *battery size and longer* life than Ever Ready's traditional zinc oxide product.

The group began spending heavily on developments, out*laying £51m on fixed assets* in the past three years. But Mr Stapleton admitted that it was slower getting to grips with the new technology than the major *U.S. competitors*.

Over the same period Hanson Trust has been growing speedily.

Pre-tax profits for the year to September 1980 were £39.1m, 25 per cent higher than the year before. *Since then interim* profits have risen by 13 per cent to £18.2m.

OVERSEAS NEWS

Kampuchea opposition groups in unity move

By Kathryn Davies in Singapore

THREE OF the fragmented opposition groups fighting the occupation of Kampuchea by 200,000 Vietnamese troops have agreed to try to resolve their differences to form a coalition "Government". The move represents a diplomatic triumph for the Association of South-east Asian Nations (Asean).

Prince Norodom Sihanouk, former head of state, Son Sann, a one-time Right-wing Prime Minister, and Khieu Samphan, a leader of the Khmer Rouge, the ousted Pol Pot regime, yesterday signed a statement in Singapore announcing the setting up of an ad hoc committee. This committee will look into ways of reaching a more precise agreement on forming a coalition.

Prince Sihanouk made clear there would be no unified command of the three military groups, the strongest of which is the 30,000-strong guerrilla army, mostly based on the Thai-Kampuchean border and supplied by China.

This agreement is only a small first step towards a united front against Vietnam, but it is remarkable that three men with as little in common with each other as with the Vietnamese have been persuaded to agree on anything. The credit lies primarily with Thailand and Singapore, two Asean members which have pursued the goal of Kampuchean unity for some time, in particular Mr Sinnathamby Rajaratnam, Singapore's Deputy Prime Minister for Foreign Affairs.

Western countries, especially the U.S., will welcome any effort to remove the odium of the Khmer Rouge which attaches to their recognition of so-called Democratic Kampuchea. The Khmer Rouge still represents the strongest part of the embryonic coalition, but it is hoped Prince Sihanouk will still prove charismatic enough to persuade Kampucheans that the horrors they experienced under the former regime can be prevented a second time.

The Prince said he did not expect the Khmer Rouge to defeat the Vietnamese on the battlefield and indicated that in any compromise settlement the Khmer Rouge would be forced to take a back seat.

Indian trust fund issue 'could directly implicate the Prime Minister'

Mrs Gandhi under threat

BY K. K. SHARMA IN NEW DELHI

MRS INDIRA GANDHI, India's Prime Minister, came under threat yesterday of being directly implicated in the allegedly illegal fund-raising feats of Mr A. R. Antulay, the chief minister of Maharashtra state, for her Congress Party. Opposition members in Parliament claimed Mrs Gandhi had authorised the formation of the trust named after her for which Mr Antulay has raised millions of rupees.

There was another furore in Parliament when opposition members moved a privilege motion against Mr R. Venkataraman, the Finance Minister, on the grounds that he misled the House on Wednesday when he said Mrs Gandhi had not authorised the use of her name in connection with the trust.

The privilege motion was moved when the English-language newspaper Indian Express published a photograph showing Mrs Gandhi had presided over the function in Bombay at which the trust was launched. The implication was that the Prime Minister was not only aware of the trust but approved of the manner in which funds were raised for it.

The Speaker has not yet admitted the privilege motion and said he would probably take a decision on it early next week.

As it seems certain Mrs Gandhi's name will be dragged into what is taking shape as a scandal, both her image and that of her Congress Party are bound to be affected.

Opposition members will seek the resignation of Mrs Gandhi, Mr Venkataraman and Mr Antulay if it establishes that the Prime Minister gave her blessing to the trust, which is now no longer named after her.

The admission of the privilege motion by the Speaker and its reference to Parliament's privilege committee would mean there would be a Parliamentary inquiry.

The Government is trying to avoid such an investigation. Mr Venkataraman turned down demands for a commission of inquiry when the matter was raised on Wednesday. It was thought then only Mr Antulay was under attack.

Mrs Gandhi was not available for comment yesterday as she is touring the state of Orissa. But it is known she feels that the Congress Party should be galvanised to fight off what is a major opposition offensive against her.

Observers think a situation could develop that would threaten Mrs Gandhi almost as seriously as the 1975 Allahabad High Court judgment declaring her election to Parliament invalid. This led to events that forced Mrs Gandhi to declare a state of emergency.

Kania threatens Solidarity

By Anthony Robinson

THE POLISH Government will not flinch from imposing a state of emergency in the interests of preserving order, Mr Stanislaw Kania, the Communist Party leader, said after a leadership meeting this week.

Mr Kania's threat, made public yesterday, featured prominently in the Polish Press on the eve of the Solidarity trade union's first congress in Gdansk today.

The implication is that troops could be called in to assist the civil authorities.

A potential flashpoint is the developing the Bydgoszcz area of northern Poland. The local Solidarity branch has declared a strike alert in protest against the failure of an official enquiry to identify the security officials responsible for beating up Solidarity activists last March.

The party's refusal to grant Solidarity the right to elect factory managers is another sore point and Government-Solidarity relations deteriorated further last night when unofficial negotiators failed to win approval for television coverage of the Solidarity congress.

Solidarity's news bulletin in Warsaw yesterday made its own critical comment on the authorities' attempt to re-assert their authority.

Bid to halt arms flow to Lebanon ports

BY OUR BEIRUT CORRESPONDENT

ARAB LEAGUE mediators trying to bring an end to six years of bitter fighting in Lebanon, yesterday agreed to attempt to prevent arms and military equipment reaching the country's militias by sea.

The Foreign Ministers of Saudi Arabia, Kuwait and Syria, meeting under the chairmanship of President Elias Sarkis of Lebanon, said at the end of a two-day meeting that they had agreed to set up a committee to supervise Lebanon's dozen or so illegal ports to ensure that weapons are not smuggled in.

Syria and the grouping of Lebanese Moslem and left-wing organisations have insisted on control of the illegal ports as a test of the commitment by the main Christian militia, controlled by the Phalange Party, to cut off their ties with Israel. The Phalangists are known to have received considerable weaponry as well as logistical support from Israel.

The committee also welcomed an announcement by the Christian alliance known as the Lebanese Front which endorsed a promise by Mr Bachir Gemayel, commander of the Christian militias, to sever relations with Israel.

While this is regarded in Beirut as a positive step, the committee made no mention of preventing weapons being imported by land, particularly from Syria, which is the major channel of supply for the Lebanese left and the Palestinians. The Phalange has asked for supervision of the coastline to be extended to land routes.

Gunmen kill French envoy

M Louis Delamare, the French ambassador to Beirut, died in hospital yesterday after being shot by gunmen near his home in West Beirut, our Beirut correspondent writes. The shooting occurred less than a week after a visit to Lebanon by M Claude Cheysson, the French External Affairs Minister, who met Mr Yasser Arafat, chairman of the Palestine Liberation Organisation.

M Delamare was formerly a Press spokesman at the Quai D'Orsay and had served in Beirut for two years.

Unita 'being resupplied by S. Africa'

By Stephanie Gray

SOUTH AFRICAN troops have moved deep into Kuando Kobango province in Angola, apparently to resupply Mr Jonas Savimbi's Unita forces, Western diplomats said yesterday. The troops had been spotted about 50 miles east of Menongue, the capital of the province.

The diplomats said the least that could be expected from the South African incursion would be a big increase in Unita activity in the months ahead.

At the same time, Angola charged that more than 11,000 South African troops, backed by tanks and armoured cars, were still occupying six towns in Kunene province and were showing no signs of withdrawing.

In Pretoria, a South African defence official described reports of the column in Kuando Kobango as "ridiculous propaganda."

Meanwhile, Mr Luis Jose de Almeida, the Angolan ambassador to Paris, denied reports that guerrillas of the South West Africa People's Organisation (Swapo) had had any military or technical help from Soviet advisers in his country.

Mr Almeida, in London for discussions on the incursion with Lord Carrington, the Foreign Secretary, said the Russians would not involve themselves in such a conflict.

While he would not discuss the substance of talks with the Foreign Secretary, he said that if the efforts of the five-nation Western contact group to bring independence to Namibia failed, Swapo activities could be expected to escalate.

Foreign Office officials said Mr Almeida had thanked Lord Carrington for the strong statement issued by the British Government condemning the incursion and expressed the hope that the UK would play a dynamic role within the contact group in efforts to find an internationally recognised settlement for Namibia.

At the UN special session yesterday, South Africa, as expected, was prevented from making a statement after an overnight meeting of the UN credentials committee.

The committee made its decision on the grounds that the South African delegate to the UN was not representative of the South African people.

Eanes warns Government

By Diana Smith in Lisbon

PRESIDENT ANTONIO Ramalho Eanes of Portugal warned Sr Francisco Balsemao's new coalition Government yesterday that no more time must be frittered away on factions and quarrels. The country's economic problems, consolidation of democracy, modernisation of all sectors and urgent review of the constitution could wait no longer for action.

President Eanes gave his warning at the swearing-in of Sr Balsemao's second coalition Government since January and Portugal's 14th Government since the 1974 military coup.

Bolivian president

Bolivia's ruling military junta yesterday appointed army commander Gen. Celso Torrelio Villa as president, AP reports from La Paz. Air force commander Gen. Waldo Bernal Pereyra said the designation was aimed at forming a Government of national unity.

North Sea strike

Oil production in the Anglo-Norwegian Statfjord field was halted for the second time in two weeks yesterday by an unofficial strike by workers employed by Mobil, the operating company on the field, reports Fay Gjester in Oslo.

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Exports lift Japan's GNP growth

By Charles Smith, Far East Editor, in Tokyo

JAPAN'S gross national product (GNP) from April to June grew at the fastest rate for three consecutive quarters mainly because of strong exports, the Government said yesterday.

GNP growth in real terms was 1.2 per cent higher than the previous three months. About 0.9 per cent was due to overseas transactions, leaving 0.3 per cent for the much larger domestic sector of the economy.

The Government said in its forecast for 1981 fiscal year, published last December, that it expected the domestic sector to provide three quarters of GNP growth — the reverse of what happened in the April-June quarter.

The figure of a 1.2 per cent real growth rate is based on a new formula which uses 1975 instead of 1970 as the base year for calculating the GNP deflator. If 1970 had been used, growth would have been about 1.5

The GNP growth target for fiscal 1981, ending next March works out at 4.5 to 4.6 per cent using the new formula. This is equivalent to 5.3 per cent if 1973 is used.

The Government thinks a 4.5 to 4.6 per cent annual growth rate should be comfortably attainable on the basis of the April-June performance. However, there is concern about the extent to which growth is coming from exports.

Officials were emphatic early this year that 1981 would not be another year of export-led growth as 1980 was. They based their hopes for the economy on a revival of consumer spending which was expected to follow "naturally" from the stabilisation of consumer prices.

The latest figures show private consumption picked up by 0.5 per cent in April-June. The effect of this on domestic economic activity was partially cancelled out however, by a fall in capital investment by private industry.

The Economic Planning Agency said yesterday it was surprised by this developments, and suggested its might be due to greater than expected cuts in spending by small companies.

The reduction in industrial investment spending could affect the debate under way on whether to introduce an economic reflation package later this year. A decision is due in three weeks and will be based on a Bank of Japan survey of business intentions as well as on the GNP figures.

Delors attacks Poehl over plan for interest rates

BY DAVID WHITE IN PARIS

M JACQUES DELORS, the French Economy and Finance Minister, criticised the attitude of the West German Bundesbank President, Herr Karl-Otto Poehl, in an outspoken interview published in Paris yesterday.

M Delors' scathing comments to the fortnightly economic magazine l'Expansion, were made in reaction to the cool reception given by West Germany to recent French proposals for lowering European interest rates.

The proposals, revived by M Delors in Denmark at the end of August, involved setting up a two-tier interest rate structure which would shield domestic lending rates from the necessity of keeping in line with high U.S. rates.

"Herr Poehl talks a lot," M Delors said. "He considered my proposals unrealistic; that is his right. In doing so, he took the opportunity to attack the European Monetary System. I am surprised. One wonders at what point the borderline is crossed between independence of mind and disdain for elementary solidarity."

What he was proposing, he said, was simply to reinforce European cohesion on the basis of the TMS. "It is not by chance that the President of the Brussels Commission, M Gaston Thorn, is favourable to my proposals," he said.

He said France was studying ways of aiding companies by bringing interest rates down a little more and increasing loan subsidies.

If aid to industry required "a few billion francs" more than was provided for in the Government's present 1982 budget calculations, this could be financed by long-term loans.

The Government has set itself a target of just under FFr 100bn (£9.3bn) for the budget deficit next year as it carries out its reflation programme.

M Delors said a deficit of this order was "tolerable for one or two years," but the gap would have to be reduced after that.

The Government had a "legitimate hope" of achieving growth of 3 per cent next year, he said. This compares with about 0.5 per cent expected this year.

At the same time, he said, it was "politically possible" to bring down price and wage inflation to around 8 per cent a year in three years, from this year's anticipated level of between 14 per cent and 15 per cent.

Germans will not be milked says Schmidt

BY JONATHAN CARR IN BONN

THE West German Chancellor, Herr Helmut Schmidt, has forcefully underlined that his country is not prepared to go on making ever-larger net contributions to the European Community budget.

Herr Schmidt said in a Danish television interview yesterday "No-one should think that the Germans consisted of 60m golden cows who could simply be milked at will. We, too, have major economic and financial problems at home."

He rebuked his questioner for suggesting that Bonn wanted to pay less to the EEC than at present. The Germans were the biggest net contributors to the EEC and were prepared to remain so, he said.

But he dded: "We don't want to pay still more year after year. At present we pay DM 5bn (£1.12bn) more in than we receive: next year DM 6.5bn more (net). If that continues, in the next year but one, we could be paying in DM 8bn or DM 8.5bn more than we get out. That isn't on."

Asked how the Common Agricultural Policy should be changed to accommodate this desire for financial limitation, Herr Schmidt said this was, for him, of secondary importance. He was not an Agriculture Minister. The main thing was to restrict net payments.

Herr Schmidt has not broken new ground with these comments, but it is a long time since he expressed himself so strongly on the topic.

One reason is believed to be that the Danish Prime Minister, Mr Anker Joergensen, showed surprise when Herr Schmidt made the same strong points in a recent private talk. This suggested to the German side that despite its long insistence on budget limitation, the message had still not got through.

Jim Rusk in Ottawa on a vital oil and gas pact

Price of energy peace

THE ENERGY agreement reached this week between the Canadian Government and the province of Alberta, which produces 90 per cent of the country's oil, ends 18 months of sometimes bitter negotiations. But Canada now appears to have a policy framework for the oil and gas indusrty that should last into the late 1980s.

The 40-page memorandum was signed in Ottawa on Tuesday between Mr Pierre Trudeau, the Prime Minister, and Mr Peter Lougheed, the Alberta premier.

The Federal Prime Minister paid heavily for peace. Canadians will have to pay more and sooner for their oil than Mr Trudeau intended. He did, however, gain an increased share of oil revenues for Ottawa.

The agreement does not modify that part of the National Energy Programme proposed last October which introduced a fiscal regime discriminating against foreign oil companies' exploration grants in order to achieve Canadian control of an industry so far largely under foreign ownership.

But the key pricing and taxation provisions of the agreement are an almost complete capitulation to the Alberta premier who will celebrate 10 years in office next week. It may have been symbolic that Mr Trudeau signed the agreement on the very day of the third, and last, of a round of production cuts that Mr Lougheed launched last March to protest against the energy programme.

The most important provisions of the agreement relate to pricing. Canada will move much more quickly to international pricing levels for domestically produced oil than the Liberal Government ever contemplated after its election victory in February 1980.

The agreement calls for the well-head price to producers of conventionally recovered crude oil from existing fields to move up by C$2.50 (90p) a barrel on October 1 from its present level of C$18.75 a barrel. Prices will then be raised every six months, starting on January 1 1982 to the end of the agreement on December 31 1986.

By that time, the price of so-called old oil will be C$57.75 subject, however, to a ceiling of 75 per cent of world levels.

This schedule is well above those in the energy programme in which the federal Government last October announced well-head price increases of C$1 a barrel every six months to the end of 1983. It is even higher than Mr Lougheed's proposal in the abortive negotiations in the summer of 1980, which he broke off after his offer was spurned by Mr Trudeau.

Mr Trudeau (left) and Mr Lougheed

For example, by July 1983, the price will be C$33.75 a barrel, C$1.50 more than Mr Louheed asked for last summer and C$11 more then the levels in the energy programme.

New oil, that is oil from the oil sands plants and newly discovered oil fields, will be priced according to a schedule that will immediately bring the price to producers close to world levels. By 1986, this oil will yield C$77.48 a barrel to producers, subject to a ceiling of 100 per cent of international levels.

The actual price paid by refiners will be a blend of the two domestic prices, of the world price for imported oil and whatever other levies the federal Government imposes such as the surcharge to pay for the buying out of foreign oil companies. As conventional oil production, which peaked in the early 1970s, continues to decline, Canadian domestic prices will move close to international levels.

The pricing provisions for natural gas are simpler than the tiered system adopted for oil. Natural gas prices will increase by 25 cents for mcf (1,000 cubic feet) from their current level in eastern Canada of C$2.98 every six months starting on February 1 1982.

Alberta will also provide a discount of 30 per cent on new gas sales and this will bring the price of gas down to about 65 per cent relative to oil and promote increased conversion from oil.

Ottawa has agreed to remove its controversial export tax on natural gas, a levy proposed in the energy programme but successfully challenged by Alberta in a provincial appeal court.

Alberta's only important concession to the federal Government is its acceptance of a number of tax measures that will give Ottawa a higher share of revenue from oil and gas.

The two most important tax changes are a doubling of the revenue tax on petroleum and natural gas revenues from 8 per cent to 16 per cent—after a 25 per cent resource allowance —on January 1, 1982 and the imposition of a 50 per cent incremental revenue tax after the deduction of provincial royalties. These two measures will provide C$20bn for Ottawa during the life of the agreement.

Ottawa has a much larger piece of a larger pie. In round figures, Ottawa will get 26 per cent, Alberta 30 per cent and the industry 44 per cent of the estimated C$213bn in revenues to be divided up before the end of 1986.

The agreement also contains a number of provisions designed to get the long-stalled Alsands and Cold Lake heavy oil projects back on course.

Alberta also agreed that it would hold production at levels "consistent with good engineering practice."

UK NEWS

LABOUR

Probe into Public Trustee rejected

By Christine Moir

LORD HAILSHAM, the Lord Chancellor, has rejected a request from Dr Gerard Vaughan, the Health Minister, for an investigation into complaints by parents of three Thalidomide children about the performance of investments made by the Public Trustee.

In a letter to Dr Vaughan, sent on Thursday, Lord Hailsham said: "The Public Trustee is liable for negligence if it can be established. But nothing that I have read on the subject convinces me that this has been made out."

Lord Hailsham left the door open, however, for an investigation but only if a "precisely and properly formulated" claim is made out.

The Lord Chancellor's office thought that this would need to be in the form of a letter detailing particular investments which independent professional advisers considered should not prudently have been made. If such a letter were sent Lord Hailsham would be required to pass it on to the courts for their decision after considering it himself.

Dr Vaughan had asked Lord Hailsham to investigate allegations made in the News of the World that the money invested on behalf of the three children by the Public Trustee had given them a lower return than they would have received from a building society, or if they had invested it themselves.

Lord Hailsham claimed that the comparison made with building societies was "invalid" because the Thalidomide children had received "payments of income from time to time and in some cases in addition to the income capital advances to individuals were made at their request and with the approval of the court."

The building society figures compared total building society returns including interest with the final distribution made by the Public Trustee excluding earlier payments.

Lord Hailsham claimed in his letter to Dr Vaughan that "the Public Trustee's record is a good one if one applies the right tests." However, Lord Hailsham has not, since he has been Lord Chancellor, subjected the Public Trustee to any test.

It is known that Lord Hailsham is looking at the Public Trustee office's annual report.

Minister sees signs for optimism

BY DAVID MARSH

GOVERNMENT action to speed up economic recovery by increased public borrowing would simply lead to more inflation, Mr Leon Brittan, Chief Secretary to the Treasury, said yesterday in the first major policy statement by a Treasury Minister since the summer break.

Reaffirming the Treasury's commitment to financial orthodoxy and monetary control, Mr Brittan said in a speech at Billingham, Cleveland, that the worst of the recession was over. He held out hopes for "some increase in orders and output in the coming months."

Mr Brittan was careful to avoid repeating the much-criticised July claim of Sir Geoffrey Howe, the Chancellor of the Exchequer, that the recession was "over."

Mr Brittan, who as the Treasury's minister in charge of spending will play a key role in this autumn's review of public expenditure, confined himself to saying that "the fall in output in our economy is now over."

Speaking at a presentation of the Government's Business Opportunities Programme—which aims to support small businesses—he said there was no quick or painless way to restore economic health.

But, in a move to stress the compassionate face of the Treasury, he said the Government recognised that "high unemployment has an appalling social cost, and that some groups of people have been especially hard hit by the recession." That was why the Government had recently introduced its measures to help school-leavers and the long-term unemployed.

Mr Brittan dismissed arguments in favour of "deficit-financed reflation." During the 1970s, total money expenditure had increased by 340 per cent, but real national output went up only 16 per cent.

"The vast bulk" of the extra spending had gone into inflation and imports.

The problem during the 1970s was not a deficiency of demand but Britain's inability to respond to it. That was why the Government was trying "to create an environment in which private enterprise can flourish, and in which our economy can adjust quickly and efficiently to changing circumstances."

Mr Brittan said Government measures introduced to assist small businesses had been "wide ranging and in some respects revolutionary" but the depth of the recession had masked their impact. Now however, a period was approaching where they could have their full effect.

Grade defies calls to tell more on Gill resignation

By John Moore

LORD (LEW) GRADE, chairman of Associated Communications Corporation, the entertainments conglomerate, will shed no further light on the background to the resignation of his right-hand man and managing director, Mr Jack Gill, at next Thursday's annual meeting.

But concerned pension funds who hold about 8 per cent in the non-voting equity of Associated Communications Corporation have formed a "watching brief" case committee to collate information with a view to considering the position of the large numbers of the group's shareholders without votes.

The committee may make further representation to the company later in the year, with a view to obtaining enfranchisement of the non-voting shares.

Against a background of mounting shareholder bafflement and anger at last week's developments which led to Mr Gill's departure from his £100,000-a-year job, Lord Grade said yesterday: "I gave my word I would not discuss why the circumstances arose."

One institutional shareholder, holding about 2 to 3 per cent of non-voting shares said yesterday he would be "expecting a statement" next week from Lord Grade, classifying the circumstances leading to Mr Gill's departure, which is likely to lead to record-breaking compensation.

Estimates of up to £500,000 have been put on the amount to be paid to Mr Gill. "You can't pay out shareholders' money like that without justifying it," said the shareholder.

More than 50 per cent of the group's voting shares are in the hands of the present board with a stake of about 15 per cent in Mr Gill's hands. Lord Grade has the largest voting stake.

Robert Holmes à Court, the Australian newspaper and T tycoon who recently acquired a large block of non-voting shares in Associated Communications, has just boosted his holding by 3 per cent to about 28 per cent.

He comes to London next week.

Commenting on suggestions that Mr Gill's departure had been due to his opposition to the group's involvement in film production, which led to large losses in the last financial year, Lord Grade said: "There was no conflict."

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More UK news Page 15

56,000 Ford men plan claim for 35-hr week and £20 more

BY NICK GARNETT, LABOUR STAFF

FORD'S manual unions yesterday drew up their annual pay-and-conditions claim involving an across-the-board increase of £20 a week.

The claim, covering 56,000 employees in 24 plants, also involves a 35-hour week and improvements in pensions.

Mr Ron Todd, senior Ford union negotiator and Transport and General Workers' Union national organiser, emphasised that the unions were insisting that negotiations on pay must be dissociated fully from the After-Japan productivity proposals which management has been anxious to negotiate for almost a year.

The money claim, which includes consolidation of the weekly attendance bonuses—averaging about £6 a week—represents about 15 to more than 20 per cent on existing basic rates and attendance bonuses combined.

The company, which will almost certainly seek a settlement significantly below last year's 9.5 per cent, might take the view that items in the claim are inseparable from the productivity proposals. These include severe manning reductions and changes in working practices.

Mr Todd said that if the management wished to make proposals linking productivity to improvements in working hours, retirement arrangements, grading or other issues, the unions "would take those on board," but he warned the company, which made a £204m profit last year, that the unions were "not in the game of selling jobs."

The unions, which also want to hold further talks with Ford on the sourcing of vehicles in the UK market from the company's Continental plants, are planning to lobby the House of Commons on imports on October 21.

Leyland Vehicles expect a reply from its unions next week on the final offer of a self-financed increase of 4 per cent on basic rates, made to 6,500 workers at the company's Le[yland] and Chorley sites [in] Lancashire.

The size of the offer wou[ld] result—on such a basis—[in] rises on earnings less than t[he] increase on basic rates. T[he] company is insisting that t[he] rise must be self-financed.

It is attempting to do this [by] two measures included in t[he] proposals: revising the produ[c]tivity bonus scheme partly [by] lifting output thresholds; a[nd] changes in working practic[es] such as an agreement to p[ay] wages direct into ba[nk] accounts.

BL Cars is due to ope[n] negotiations shortly on a cl[aim] for a rise of £20 across-th[e] board. That company and Le[y]land Vehicles are not cover[ed] by any corporate directive o[n] pay, and productivity schem[es] operated in car plants on th[e] one hand and bus, truck a[nd] tractor plants on the other a[re] different.

A statement from the Le[yland] group, which lost £47m [in] the last half-year, said its off[er] was made against a backgrou[nd] of massive losses and a foreca[st] of continued depressed demand for this year and next.

Management had to achie[ve] substantial cost reductions in a[ll] areas of the business, includin[g] labour costs, to make its pr[o]ducts more competitive.

Changes in working practic[es] were required so that an i[n]crease in base rates could [be] achieved without any extra co[st] to the company.

● Austin Morris is again refu[s]ing to accept Mr Alan Thorne[tt] the shop steward known as t[he] Mole, as a deputy senior stewa[rd] at the Cowley assembly plant.

A year ago, he was told th[at] if there was no cause for co[m]plaint about him, he would [be] accepted as a deputy at the e[nd] of 1981 if successful in the unio[n] ballot.

Yesterday, however, he a[nd] union officials were given a li[st] of reasons by the manageme[nt] for maintaining the seven-ye[ar] ban on Mr Thornett as a depu[ty] to the senior steward, Mr Bobb[y] Fryer.

Healey expecting to get most union votes

BY RICHARD EVANS, LOBBY EDITOR

MR DENIS HEALEY predicted last night that he would secure a substantial majority of trade union votes in the contest for the Labour Party's deputy leadership, in spite of growing optimism among the supporters of Mr Tony Benn.

What seems certain is that the contest — which will be decided on the eve of the Labour Party conference in Brighton in three weeks' time — will be a close one, with the outcome largely dependent on the votes of the uncommitted trade unions.

Following the intervention of Mr James Callaghan on Mr Healey's side on Thursday, another former Minister, Sir Harold Wilson, last night made clear his opposition to Mr Benn's views. He did not, however, specifically back Mr Healey.

In his speech at Prescot in his Huyton, Merseyside, constituency, Sir Harold spoke of the "pantomime" of the new method for electing a party leader and deputy, and argued in favour of parliamentary rather than party power.

In his view, a possible scenario at the next general election would be the election of a Labour government against a background of economic crisis and the total failure of Conservative polices. An incoming government would have to act immediately, and could not possibly afford to wait for the complex party formula to elect a leader.

Mr Healey, interviewed on BBC TV's Newsnight programme, dismissed suggestions that Mr Benn was going to unseat him as deputy leader.

He predicted that he would secure not only most of the votes of MPs, as expected, but also a "substantial majority" of the votes of trade unions.

Mr Healey, who is to publish a pamphlet amounting to a personal manifesto at the weekend, strongly criticised Mr Benn for forcing a contest which he believed had been very harmful to the party.

"I do not think it can be seen as a healing process at all. On the doorstep, people are being told all the time to concentrate on getting Mrs Thatcher out and not to squabble internally."

In an earlier interview on ITN's News At One, Mr Healey disagreed with the views of Mr Joe Gormley, leader of the National Union of Mineworkers, that Mr Benn was virtually unstoppable in the long term. He thought Mr Gormley was arguing that Mr Benn had a good chance of becoming leader but could throw it away.

He agreed that an important element in the current argument was the relationship between the supremacy fo Parliament and the influence of the party.

He was very strongly opposed to Mr Benn's aproach of turning Parliament into "a sort of castrated House of Lords."

London pact for Liberals and SDP

By Gareth Griffiths

THE SOCIAL Democrats and the Liberal Party have reached a local government electoral pact for next year's elections in the London borough of Hammersmith and Fulham, the first agreement in the capital.

Talks between the two parties about deciding which seats to fight in next year's district council elections in May are being held throughout the country and the significance of the London move is that the pact allows for about half the seats to be contested by each party.

Both believe that several London boroughs will fall to them from the Labour Party next year because of high rate increases imposed over the past couple of years. A Social Democratic Liberal alliance recently captured two previously safe Labour seats in Lambeth.

Although the two parties have agreed to fight the seats on a "fair basis" there is a slight margin to the Social Democrats.

Similar pacts have been concluded in Birmingham and Sheffield, and a deal was reached in Lincoln between the Liberals and the local equivalent of the SDP before the local elections in May.

Far more common ground exists between Mr David Steel and any of the Social Democrat leaders than between Mr Michael Foot and Mr Denis Healey, or Mrs Thatcher and Mr Jim Prior, Dr David Owen, speaking at Andover, Hampshire, said yesterday.

Tighter cash control angers local council

BY GARETH GRIFFITHS

LOCAL authority associations reacted angrily yesterday to the Government's announcement that it intends to press ahead with legislation aimed at tighter controls over spending.

Finance officials are also annoyed at the Government's creation of several classes of penalty for councils.

The Greater London Council, for example, said it had no intention of revising its budgeted spending downwards in spite of being singled out for criticism.

Mr Michael Heseltine, Environment Secretary, said on Thursday that the budget revision exercises aimed at cutting spending to 5.6 per cent less than in 1978-79 had failed. The Government is to withold home £300m of grant.

The Council are much more worried, however, over the change in the relationship between central and local government suggested by the forthcoming legislation. Mr Jack Smart, the chairman of the Association of Metropolitan Authorities, said that Britain was in danger of becoming the most centralised state in Western Europe.

The association expressed concern yesterday that the extent of the exemptions Mr Heseltine announced for inner-city urban partnership expenditure to be outside local authority budgets were much more limited than it first appeared. Such exemptions only apply to grant-aided expenditure and not to the much larger sum covered by the current expenditure endangered by capital spending.

Finance officers also want more explanations from the Environment Department on how grants will be withheld.

Glaxo wins approval for ulcer drug

By Sue Cameron, Chemicals Correspondent

GLAXO has been given approval to start marketing an anti-ulcer drug called ranitidine in Britain. Ranitidine is similar to Smith Kline French's Tagamet, which has become one of the best-selling drugs.

Glaxo hopes to start selling ranitidine in the UK soon. The drug will be marketed under the brand name of Zantac.

The company said that it hoped to get a product licence for ranitidine in Italy and might be able to start selling that drug there before the end of the year too. The world market for gastro-intestinal drugs is estimated to be worth about £950m a year and anti-ulcer drugs account for a large slice. The value of the UK market alone is put at £40m a year.

Tagamet, which was discovered in Britain, will have worldwide sales of up to £400m in a few years' time, experts believe. But they expect that Glaxo's launch of ranitidine will make inroads into the American company's market as well as picking up new business.

Glaxo, which plans to apply for product licences in the rest of Europe and in the U.S., was confident of winning a significant share of the world market. The company said it had been informed by the Department of Health that it would be granted a licence for ranitidine and it hoped to receive this within a month.

Glaxo added that clinical trials—trials on human patients—had shown that ranitidine was free from side effects.

Self-employed's case to go to Strasbourg

By Maurice Samuelson

A CLAIM that Britain's 1¼m self-employed pay too much national insurance is being referred to the European Commission of Human Rights.

The approach will be made by the National Federation of Self - Employed and Small Businesses.

Dr Bernard Juby, the federation's chairman, said yesterday that while companies were able to offset their part of the Class 1 national insurance contribution against tax, the level of self-employed contributions was arrived at by reference to the total amount of Class 1, but no part of the self-employed contributions could be offset. In the case of companies 60 per cent o fClass 1 was set against tax.

Seaforth dock trade blow

FINANCIAL TIMES REPORTER

MERSEY DOCKS and Harbour Company has suffered another major trade blow at its specialised container terminal in the £50m Royal Seaforth Dock complex.

Johnson Scanstar, the Swedish container consortium, is to pull out of the Mersey to concentrate its UK operations at the east coast port of Felixstowe.

The company stresses it had no big problems at Seaforth but has decided to centralise its operations in the light of escalating overheads.

Manchester Liners, which provided one third of the container trade through Seaforth, moved to Felixstowe two months ago costing Mersey Docks £4m in revenue a year.

Johnson Scanstar's withdrawal will cost Seaforth a further £1m.

Throughput of containers will have fallen from 107,000 to 45,000 representing only one quarter of the 165,000 boxes required for a break even figure.

Japan may restart UK oil imports

By Ray Dafter, Energy Editor

NORTH SEA oil producers may soon restart exporting crude oil to Japan. Mr David Howell, Energy Secretary, said in Tokyo yesterday that Japanese companies had shown great interest in reactivating imports.

Japanese refiners imported small amounts of North Sea crude until 1979 when the Iranian revolution put the world's oil market into turmoil. Since then most British exports have gone to Western Europe and the U.S.

Mr Howell said that transport costs would make the oil expensive for the Japanese. On the other hand it could still prove attractive to those refiners seeking to diversify sources of supply.

Mr Howell, who returns home today, has been in Japan since Tuesday discussing economic and energy policies. He told the British Chamber of Commerce in Tokyo that the UK had the capability to increase exports to Japan considerably.

Agreement averts threat of Financial Times closure

BY JOHN LLOYD, LABOUR CORRESPONDENT

AGREEMENT between the management of the Financial Times and the National Graphical Association, the main print craft union, early yesterday morning has averted the threat of closure. It opens the ground for an interlocking series of talks between unions and management which will be vital to the newspaper's future.

The two sides yesterday agreed to conclude a joint press room pact within the next three months involving both the NGA, which organise the machine managers, and the National Association of Operative Printers, Graphical and Media Personnel (Natsopa) which organises the machine assistants.

The 15 machine managers, whose chapel (union branch) was at the heart of the 15-month dispute, will receive an extra week's holiday and a retrospective pay increase backdated to February 1980 of about 3 per cent, which will be paid for by extra productivity.

It is understood that these elements were on offer three months ago, though there is disagreement on whether the management refused to concede them, or the chapel refused to accept them because it was pursuing a larger claim for new money.

Mr Les Dixon, the NGA president, said after the nine-hour talks at the Advisory Conciliation and Arbitration Service yesterday that the differential issue between the NGA and Natsopa had been resolved, and he implied that he accepted no new money was available.

It is likely that a further demand for new money will be made by negotiators from th[e] NGA and Natsopa when th[e]y approach the management aft[er] settling details of the pres[s] room agreement.

The agreement will allow a[ll] the print unions to restart neg[o]tiations on the management['s] demand for a staffing reducti[on] of 72, mainly in the pape[r's] clerical and printing areas.

The unions' senior officer[s] have been guarded about th[e] demand—which is for voluntar[y] redundancies, with severanc[e] payments running up to £30,0[00] —and will wait for chapel r[e]action before formulating [a] response.

No official has yet rejecte[d] the concept of redundancie[s] though some chapels hav[e] indicated their hostility t[o] members taking redundanc[y] payments. The management ha[s] made it clear that the redund[a]ncy package is open to neg[o]tiation.

The third set of talks will b[e] longer term, and will concer[n] the introduction of compu[t]erised typesetting and phot[o] composition at the newspaper. The programme is reckoned t[o] take between three and fou[r] years, and will mean substan[t]ial reductions in areas such a[s] the composing department where more than a third of th[e] 241 jobs are planned to dis[appear] over the next few years.

Discussions on new tech[nology] had barely begun whe[n] the machine managers' dispu[te] ended them. The unions, parti[cu]larly the NGA, which will b[e] at the centre of the negotiations have yet to formulate [a] response, though there is littl[e] doubt that the bargaining wil[l] be slow and complex.

Quiz into deferred-pay scheme for mortgages

BY WILLIAM COCHRANE

THE Department of the Environment is inviting 34 organisations, including the GLC, the National Economic Development Office and the Building Societies Association, to give their views on deferred-payment mortgages.

Mr John Stanley, Minister for Housing and Construction, this week issued a consultation paper on low-start schemes.

The paper reviews existing schemes in which the borrower's mortgage is sufficient to allow him to buy the property but repayments are in part deferred from the early to the later years of the loan period.

It says that over the past decade, the number of first-time buyers as a proportion of total advances has declined steadily, "possibly indicating that some potential buyers may have been deterred."

The paper asks whether there is demand for a new approved scheme, whether potential lending institutions would wish to lend on deferred-payment terms, and if so, how.

Cable TV trial on screen next week

BY ELAINE WILLIAMS

A NEW ERA in television in the UK will begin next Wednesday when subscribers to cable TV will receive a service of recent feature films in addition to normal programmes.

Rediffusion is the first company to experiment in subscription TV in the UK and will be followed by British Telecom and Philips in late October, and Radio Rentals, part of the Thorn-EMI group, in early November.

In all, six companies have been licensed by the Home Office to carry out two-year trials. The other two are Greenwich Cablevision and British Relay, part of the Visionhire group.

The companies will use existing cable television networks for their service of feature films, most of which will be less than three years old.

Subscribers will pay an inital charge to be connected to the cable network plus a monthly rental charge which will vary from £7 to nearly £12. About 60,000 people may be linked in the trials.

No advertising will be allowed on the service because the Government wants to test the economic viability of pay-TV on its own. Companies will not be able to show films less than a year old, and X-rated programmes will be shown only after 10 pm.

If successful, the new system may be offered to 2.5m homes already connected to some form of cable television system.

Viewers joining the subscription service will be equipped with a special electronic decoder which will give them access to the system, while also allowing them to pick up normal television stations.

Pay-TV is big business in the U.S., and British companies hope that the same interest will be shown by viewers in the UK.

Ted O'Brien fights off Natsopa job challenge

BY OUR LABOUR CORRESPONDENT

MR Ted O'Brien, national assistant secretary of the print union National Society of Operative Printers, Graphical and Media Personnel, has retained his position in a two-man contest with Mr Barry Fitzpatrick, the father of the Natsopa clerical chapel (office branch) at Times Newspapers.

Mr O'Brien, whose brother Owen, is the union's general secretary, secured 14,259 votes against Mr Fitzpatrick's 10,859 votes in a 52 per cent postal ballot vote. The turnout is high by union standards.

The result is seen in the print industry as a victory for centre-right policies, though under the union's rules, neither candidate was allowed to campaign or to state his political position.

Mr Fitzpatrick is likely to stand again for a national assist[ant] secretary's post when M[r] John Selby, the second of the three assistant secretaries, stands for re-election next month.

A third O'Brien brother, Tony, is considering standing shortly for election as father or deputy father of the Sunday Times machine assistants' chapel, following the appointment of M[r] Reg Brady, the previous father, to a management post as indus[trial] relations officer.

Natsopa has recently extended its practice of holding postal ballots to political questions. It is currently conducting a ballot of its membership on the choice of Labour's deputy leader, uniquely among unions. It has said that it will be bound by the result.

Pirates pose threat to crews on ships sailing in Singapore waters

Andrew Fisher reports on unpredictable hazards introduced by a new wave of piracy

PIRATES operating from high-speed launches, generally at the dead of night, are posing a new and unpredictable hazard for the crews of tankers and other ships operating in and out of Singapore.

Although the number of major incidents is still small, the problem is regarded as serious enough for the British shipping industry to start pressing the UK Government for possible action.

Nor is the Liberian Shipowners Council, based in New York, happy about the situation. A large number of international tankers and cargo ships sail under the Liberian flag of convenience, and the council has advised its members of the growing dangers of piracy.

The area chosen by the pirates around Singapore is the Phillip Channel to the south of Singapore island. In recent weeks, they have crept on board at least three tankers and made off with the contents of the safes, though the sums stolen have not been large.

But the pirates are not fussy about the type of ship they choose. Captain Edward Marshall of the Contender Argent, a container ship on its maiden voyage, was so badly treated by pirates in July that he spent two days in a Singapore hospital.

The Contender Argent, a vessel of 18,500 deadweight tonne and able to carry 1,300 containers, was on its way from Italy to Japan and passing through the Malacca Straits when five men put a knife to the captain's throat and forced him to hand over the safe keys.

The pirates had got on to the ship at around midnight and made off with about $30,000. If the captain had not already paid the crew of Filipinos, they may well have escaped with more.

Sea Containers, owners of the ship which is chartered out to the ScanDutch consortium, is now considering other ways of paying crews without carrying large sums of money on board.

Of the recent tanker incidents, only one involved a British-registered ship. This was the 21,000 dwt British Beech, owned by British Petroleum. Pirates rifled the ship's safe while the captain was on the bridge.

British Beech is one of several ships carrying refined products from the Singapore refinery to local markets in south-east Asia. It was on its way to Thailand when the incident took place in July.

The other companies whose vessels have been raided by pirates are Shell and Mobil.

Mobil's 30,000 dwt Corsicana, also under the Liberian was robbed on August 3. The pirates got away with some £2,000 in German and U.S. currency after threatening Captain K. Reibchen, a German, at knife-point.

In all cases, the companies have urged greater vigilance on the part of their masters and crews, though they are not willing to arm them. They are hopeful that the request by the General Council of British Shipping (GCBS) to the Government will lead to some sort of initiative.

If it does, the foreign office will clearly have to be involved. But stamping out piracy is no easy matter.

THE WEEK IN THE MARKETS

The holiday is over

LONDON
ONLOOKER

For most of the summer, London share prices have stubbornly refused to follow the sharp downward trend in U.S. markets. In August the FT 30 Industrial Index marched steadily ahead, putting on 46 points to 573.8, which in New York the Down Jones industrial average fell 60 points to 892.22.

The London market's reward for this stalwart performance was a resumption of the heavy flow of rights issues that had been such a dominant feature in the spring. Trusthouse Forte's £87m offer on Tuesday, the second largest of the year, raised more money than all nine rights issues in August put together.

That took the steam out of the market early in this short week but prices nevertheless remained steady until yesterday, even after the depressed second quarter results from BP. But the combined effect of the 17-point plunge by the Dow on Thursday to a new low and a £24.9m rights issue from John Brown was to send prices reeling. The FT Index, having held the 568 level all week, dropped 13.1 yesterday to 554.9 and the mood among dealers remained gloomy as rumours of another big rights issue circulated.

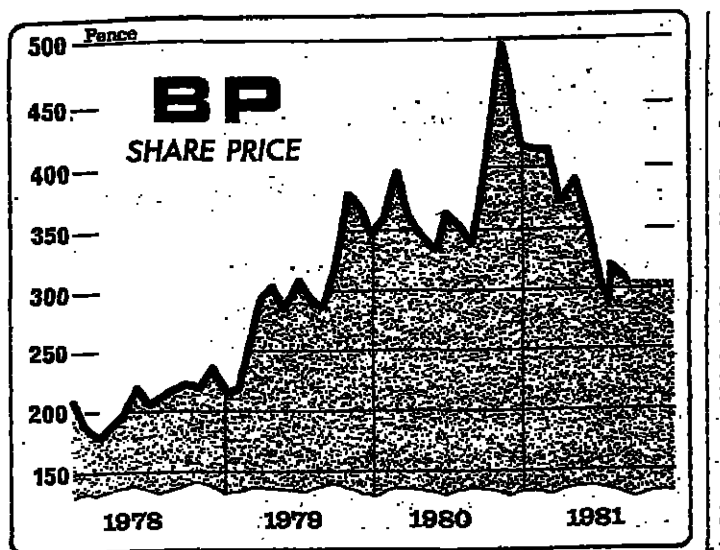
BP's Bottom

The most optimistic aspect of BP's second quarter results has to be that they probably represent the lowest point of its underlying trading. Unfortunately, it does not follow that things are likely to improve at any speed, and in any case reported net income—which incoporates the effects of oil-price changes and lurching exchange rates—could easily slip a little lower in the next couple of quarters. The figure of £210m for April-June is so far below the £395m of January-March partly because it contains much less stock appreciation. (The first quarter was swollen by OPEC's year-end hike in the dollar price.)

BP's greatest troubles are downstream in Europe. Product volumes are commonly down by a tenth, compared with a year ago, and margins have been deeply negative as a result of lags in the adjustment of output prices. These are now being inched ahead, and crude prices have eased $3 a barrel since June—helping the cost side of the balance. BP thinks the leakage has been brought largely under control.

But the scale of these European problems is daunting. Even after crediting profits in the U.S. and some other markets, oil trading and chemicals were £95m in the red this quarter. And of the £201m net income, £140m came from Sohio.

On a current cost basis, the picture naturally looks still worse. There was a direct exchange gain of £45m because of the rise in the dollar, but weakness in European currencies will have led to a significant measure of stock appreciation. Even including Sohio, the group showed a current cost loss of £33m.



Patients responding?

Large doses of medicine often have different effects on different patients, as the latest reports from those corporate invalids, Weir Group and Stone-Platt demonstrate yet again. Only months after their cash injections and capital resructurings, Weir managed to turn in a healthy £3.1m. pre-tax profit for the half year against big losses last year while Stone-Platt dragged in another pre-tax loss, this time of £3.5m.

Still, Weir had something of an unfair advantage—the group was well on the mend before the banks and City institutions showed up with their medicines. At the time of the structuring, the group had already shed a quarter of its workforce and had launched severe cost-cutting programmes. Weir's crisis was really one of confidence. In addition to its recession-related troubles, Weir's management did not inspire enough faith in its bankers and to some extent, its customers and suppliers.

The restructuring, including a new chairman, has provided the needed boost and it is little surprise that the shares have doubled in the meantime. The real winner in this recovery is an outsider, RIT and its U.S. associate, who jumped in late and collected 72 per cent of the new preference shres which are convertible into 36 per cent of the ordinary.

Stone-Platt, unfortunately, is still in the oxygen tent. The company had to sell off its profitable pumps division last year, hoping then to deal with its sickly textile machinery business in Lancashire. The company has been using its new funds to help absorb the shocks of slashing the Lancashire operation to the bone. However, the attributable losses this year will reduce shareholders' funds by more than a fifth while net borrowings are back to the £30m level they were at before the restructuring. On top of these troubles, the state of the European textile business adds little cheer.

The group's other operations, its electrical divisions and its textile machinery businesses in the U.S. and Spain, are profitable and are expected to continue so. If the Lancashire operation starts to show some signs of life next year, the group could be up and walking in a year's time. The waiting room vigil, however, will be an anxious one.

THF cash call

Sir Charles Forte has had the summer months to count the cost of an unsuccessful three-month battle with Savoy's Sir Hugh Wontner and ponder on a mounting debt burden while trading conditions remain sluggish. The answer to his problems was revealed this week. Trusthouse Forte is launching an £87m rights issue.

THF's interest burden was showing through at the half-way stage to April 30 last. Trading profits had slipped £1.2m to £25.3m but a sharp rise in interest charges of over £4m had clipped more than a quarter off the pre-tax level to £14m.

During the last financial year to October 1980 group net borrowings climbed by £40m to £157m. The figure would have been even higher if the £16m payment on the new long leases for its motorway areas had not fallen just beyond the balance-sheet date. And THF has continued to spend heavily throughout this year. Capital items have eaten up another £40m or so and buying a 38.6 per cent voting stake in the Savoy pulled a further £36m out of the hoteliers' coffers. Moreover, Sir Charles Forte has vowed to come back fighting for the Savoy next year and the group intends to maintain a high level of spending on its own assets.

By July THF's borrowings had run up to £250m. While this is a seasonal high point and the last accounts held £402m of shareholders' funds the group clearly needed some more elbow room and undoubtedly would not want to see the return of the crippling high gearing levels of the mid-70s.

One of the main problems is that its debt profile includes a fair slice of floating rate dollar loans, increasingly expensive to service. The interest charge in the six months to the end of October would have climbed to £16m—equal to the whole of last year.

Meantime on the trading front THF is forecasting that profits for the year will not be materially different from last year's £82m. The market believes that higher interest charges could leave the pre-tax level some £10m lower at £55m. But to have maintained trading profits, even with a better sterling contribution from the U.S., is a good achievement in the current climate. Such is the degree of operational gearing that a modest improvement in volume coupled with interest savings could mean a significant upswing in profits for 1981-82, perhaps to over £80m.

Cadbury fulfils

Cadbury Schweppes shares have risen by nearly a quarter to 96½p since the annual accounts were published in March, and the 31 per cent jump in interim profits reported this week has fulfilled the market's considerable expectations, for the moment at least.

Nearly a third of the trading profit increase comes from Australia, where profits were up 30 per cent in local currency but 50 per cent in sterling terms. Results in South Africa were also good but the main factor was a drop in the group interest charge from £10m to £7m, reflecting tighter management controls, notably on working capital.

UK trading profit was up only £1.5m to £18.7m but the underlying picture is much brighter than this suggests. Overall confectionery volume increased by 5 per cent and profits in soft drinks nearly doubled despite a drop in volume, following substantial rationalisation. However, the group has been bearing the extra costs of a temporary head office and has raised its marketing spending relative to sales. Dairy Milk has won back some market share from Rowntree's Yorkie.

The prospects for the second half are good. The income from the £55m proceeds of last May's rights issue will help and, given reasonable Christmas trading, group profits before tax might reach £75m, compared with £61.3m last time.

However, the focus of interest is shifting to the question of expansion. Following the rights issue, net debt is down to about 10 per cent of shareholders' funds so the group could undertake something quite substantial. The chairman said in May that the group needed to expand its overseas interests, which account for about one third of profits, and the betting is that the company will aim for something in the fiercely competitive North American market.

Wall St lullaby

NEW YORK
PAUL BETTS

THE BLUE CHIP indicator hit a 14-month low this week as stocks continued their journey down the drain, but not all business was bad business on Wall Street.

Some traders and dealers increasingly disenchanted by such things as T-bills are now doing a brisk business in T-shirts. A group of them are selling a novel line of T-shirts with a moving inscription which reads: "Dear Mr Volcker — please ease." Not surprisingly, they are all the rage.

All week, the stock market came in for another battering. The main problem once again was interest rates. Despite some tentative signs that rates were beginning to ease a bit, any optimism was soon wiped out in the market.

On Monday, Chase Manhattan and First National Bank of Chicago both lowered their Prime Rate by half a point to 20 per cent. This was the first fall in the Prime in almost two months. Other short term rates including the fickle Federal Funds, also appeared to be moving down to more respectable levels. And so the week started with a rally of sorts on Monday morning.

But it took only a couple of hours for the market to change its mind. None of the other major banks followed the Chase and First National Chicago Prime moves. Fed Funds drifted up again to the 17-18 per cent range. By the end of the day on Monday, the Dow Jones Industrial Average was down more than 10 points hovering just above 880—the level which most Wall Street professionals regarded as the Dow's support area. By Thursday night, the Index nose-dived another 17 points and the 880 support area was left suspended in mid-air.

Mr Volcker maintained an aloof indifference to the market's current woes. Indeed, he went on a morning television show and reaffirmed that the central bank would stick to its restrictive monetary policy.

President Reagan, fresh from a month-long holiday in California, said he fully supported the Fed's "careful and conservative" policies. He acknowledged that high interest rates were making things worse on the inflation front but continued to express confidence in his economic programme. As to Wall Street sceptics, Mr Reagan said he regarded business and not Wall Street as the better of the two guides. While business continued to believe in his economic recipe, Wall Street—or was it Broadway, he said—was really being a little neurotic.

"But who wouldn't be?" said one broker. Interest rates were supposed to come down weeks ago, but they remain at stratospheric levels and look set to stay up there for some time to come. For weeks, the bond market was supposed to come out of its state of prolonged coma and rally, technically at least. But bond prices hit record lows this week, a new 39-year Triple A Telephone issue was sold at a record of 17.1 per cent, and the average rate of the latest batch of one-year T-bills sold by the Treasury fetched more than 17 per cent for the first time on record. The stock market has been looking for some encouraging sign from the bond market, and all the bond market has done is to shrug its shoulders and say rather feebly "I can't help it."

At the bottom of the problem is Mr Reagan's fiscal 1982 deficit. The market simply does not believe that the Administration can hold down the deficit to $42.5bn as well as increase defence spending and cut taxes. Despite all sorts of reassurances from the White House this week that defence spending increases could be trimmed back, that more Federal spending cuts would be introduced, and that the deficit can be held at $42.5bn, the credibility gap between Wall Street and Washington continued to increase all week. If Washington thinks Wall Street is turning into Broadway, Wall Street believes Washington has turned into Hollywood.

And where does all this leave the stock market? To take a small sample of biggies, IBM, from a 52-week high of 72¼, is down at 54⅝: Mobil is at 28¼ from a high of 44½: GM has dropped from 58¾ to 46½: Citicorp from a 52-week high of 30⅞ is now at 22⅞.

In contrast, the show continues to roll in the high yielding and increasingly popular money market mutual funds.

MONDAY	881.47	−10.75
TUESDAY	882.71	+1.24
WEDNESDAY	884.23	+1.52
THURSDAY	867.01	−17.22

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1981 High	1981 Low	
F.T. Ind. Ord. Index	554.9	—18.9	597.3	446.0	Weak Wall St/rights issue fears
F.T. Govt. Secs. Index	64.15	+ 0.06	70.61	63.12	Hopes of lower U.S. int. rates
Babcock International	106	−12	147	12	Poor interim figures
Barymin	12	−10	55	12	Call-in of bank loan rumoured
Bowater	254	−26	286	171	Interim results next Wednesday
BP	304	− 8	415	278	Disappointing interim results
Brown (John)	84½	− 7	101	54½	£24m rights issue
CRA	224	−18	302	214	Int. profits down 84%/div. cut
Dowty	257	−20	305	187	Tornado programme cutbacks
Durapipe	26	+ 7	32	19	Bid from Wavin Plastics
Gold Mines Kalgoorlie	480	+40	500	310	Increased profits and div.
GRE	348	−28	380	268	Disappointing interim results
Hawker Siddeley	340	−16	356	230	U.S. defence budget reduced
Northern Mining	176†	−19	200	94	Endeavour withdraws bid
RTZ	532	−61	633	372	Poor CRA figs./results due soon
Trusthouse Forte	126	−10	170	116½	£87m rights issue
Weir Group	42	+ 7	43½	18½	First-half profits recovery
Westbrick Products	91	+11	93	45	Bid situation
Whitworth Elect.	103	+25	105	53	Demand in a thin market

† Price at Suspension.

An assent and a transfer

FINANCE AND THE FAMILY
BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

With reference to the reply "an assent and a transfer" on June 20 my wife or I will be in a similar situation, would you advise me what would be a suitable form of words for an assent to have ordinary shares registered in the name of the survivor? Is a printed form available?

If you are joint shareholders you will not require the assent to establish the survivor's right to registration in her or his sole name. Production of the Death Certificate or of a grant of Probate or Letters of Administration would suffice.

If you are not joint shareholders, an assent should be in the following form: "I . . . of . . . the executor of the will dated . . . 19... of . . . late of . . . who died on . . 19... which will was proved by me in the District Probate Registry on ...... 19... hereby assent to the vesting in myself absolutely of the . . . ordinary shares of . . . each in . . . Co Ltd formerly held by the said . . . (Testator)".

As assents of personality do not have to be in writing you will not find a printed form which does not require some adaptation.

Appeal against VAT

With reference to your reply under VAT on locks and windows (June 20) I was in a similar position to your inquirer, and wrote to Customs and Excise, and received the following reply:

"As regards the services of fitting locks, bolts and other security devices, zero-rating applies where the work is carried out in the course of the construction of a new building, or in the course of the alteration of an existing building (eg the fitting of a lock to the door of a new extension). We accept that locks, grilles, bolts and gates are articles of a kind ordinarily installed by builders as fixtures, so where the installation services qualify for zero-rating the articles themselves may also be zero-rated. On the other hand we do not accept that the fitting of locks, etc., to existing doors or windows in other circumstances is sufficiently substantial to amount to the alteration of a building, and therefore both the supply of the locks, etc., and the installation services are regarded as chargeable at the 15 per cent standard rate."

Is there anything else I can do?

You could appeal against the Customs and Excise ruling to the VAT tribunal which is a body independent of the Customs. A leaflet concerning the system of appeals can be obtained from your local Customs office. With regard to the reply you have received we are aware that the Customs take the view that alterations have to be "substantial" before they are alterations for VAT purposes. It is not clear to us from their letter whether they regard the fitting of grilles and gates in existing buildings as alterations qualifying for zero-rating. We feel strongly that they should. We feel less strongly on the position of locks although we would argue that they should also be zero-rated.

Unwanted premises

Close to where I own some property is a house which has been empty for some years and is falling into disrepair.

Some time ago I put my own lock on the door in an attempt to prevent vandalism.

As there is no apparent interest in the property and my lock has remained intact for over a year is there any way I can either find the owner (who is possibly deceased) or lay a legal claim on the property?

There is no system under which you can ascertain the name of the owner of land — an owner of land in England is entitled to keep his ownership secret. Your only course therefore is to pursue such sources of information as rating lists, electoral rolls and Rent Officers' registers of fair rents. If these yield nothing, you can only lay claim to the property if you take possession of it and shut out all others for a period of 12 years.

Capital Gains Tax

I have recently inherited shares currently valued at approximately £7,000. I would like to sell them but I am not sure about the possible tax consequences. Would I be liable to capital gains tax (and if so, how would it be calculated) or income tax or any other tax?

Broadly speaking, you are liable to pay capital gains tax on the difference between the sale proceeds and the probate value of each parcel of shares. However, if your total net capital gains for 1981-82 do not exceed £3,000, you will not actually have any CGT to pay. The solicitor who acted for the executors should be able to tell you the deemed CGT cost of each shareholding in your hands, for inclusion in your next tax return (in the section for chargeable assets acquired).

Swiss Banks

I have an American friend who is willing to guarantee a loan from a Swiss Bank for the purpose of my purchasing a property for investment in the UK.

Would the interest on the loan have to have tax deducted before payment (for later payment to the UK Inland Revenue) and:

Would the interest be an allowable deduction from the income tax liability in respect of the rents received and would the deduction be net or gross interest.

I accept, of course, that there will be a constant exchange risk.

If the loan agreement is subject to English law and the loan is made through one of the Swiss bank's English branches, the answers are (1) no and (2) yes, subject to the rules outlined in the free booklet IR11 (Tax treatment of interest paid), which is obtainable from most tax inspectors' offices.

If the loan agreement is subject to Swiss law and the loan is made through one of the Swiss bank's Swiss branches, the answers are (1) no and (2) no.

If the loan agreement is subject to English law and the loan is made through one of the Swiss bank's Swiss branches, the answers are (1) yes, unless authority to pay in full is received from the Inland Revenue Foreign Dividends Office, and (2) yes, subject to the rules outlined in booklet IR11. If the interest is allowable (under paragraphy 4(b) of schedule 1 to the Finance Act 1974), the gross amount will be deductible, irrespective of whether tax is withheld.

This is a complex matter and our reply is no more than a broad outline of the effect of the laws of the two countries. We strongly recommend you to consult an accountant (or other professional adviser) before entering into commitments.

Pension schemes and refunds

After transferring from monthly to weekly staff on April 1 1977 (that is I no longer contributed to the scheme), I was informed by the pensions manager that my gross contributions were £360.06 entitling me to an annual pension payable from age 65 years of £320.45 p.a. and not a cash refund while I remained in their employment. I resigned from the company on June 22 1981 and upon inquiring about my pension contributions I was informed that the fund is frozen by order of the Revenue Authorities until I reached 65 years of age (I am now 37 years old).

I am not sure if the fund managers are correct on that point considering that my last contribution to the fund was in March 1977. Is it possible to exact a cash refund on those grounds OR failing that, the transfer of the contributions to another fund of my nomination?

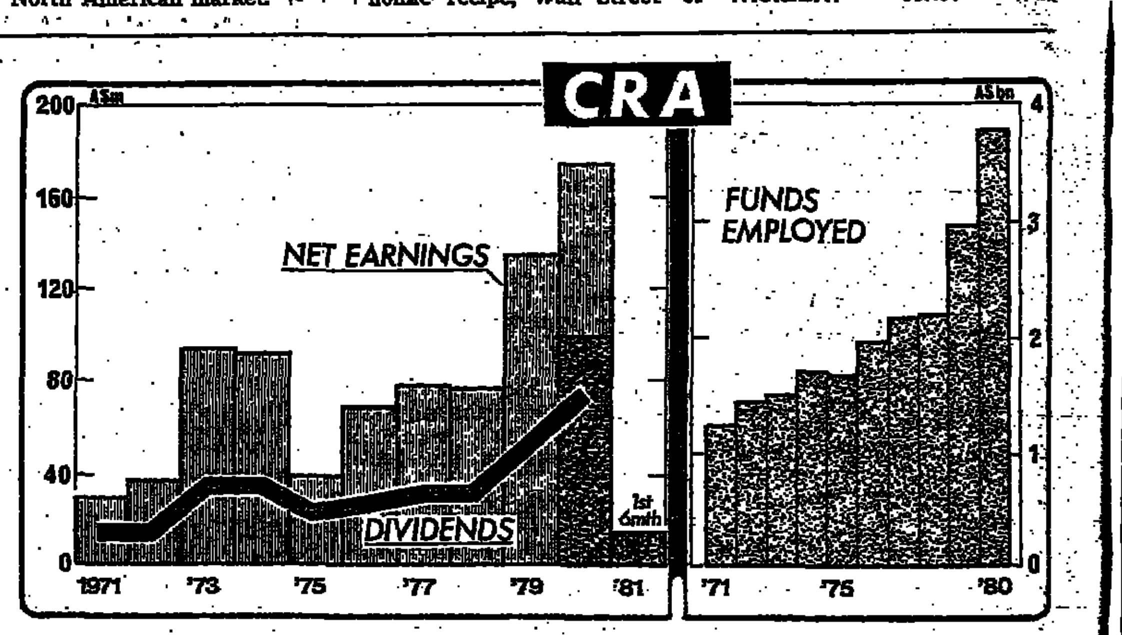
The right to a refund of contributions as opposed to a pension depends on the rules of the individual pension scheme. However the rules must comply with certain Inland Revenue requirements if the scheme is to be approved and to remain approved. Over and above this, legislation such as the 1973 Social Security Act requires pension schemes to guarantee preserved pensions for employees who leave and to prevent refunds of contributions being made to leavers in certain circumstances.

The fact that your last contribution was paid in March 1977, is not relevant. You will not be able to exact a cash refund in circumstances where the rules of your former scheme do not permit such a refund.

As to the question of the transfer value to another scheme this again will depend upon the rules. Your best course of action if you are in or join another approved scheme is to give details of your old scheme membership to your new employer and ask him to approach your old scheme with a view to a transfer on your behalf. Not only must the new scheme rules permit such transfers but as "transfer in" rules normally specify that such transfers are at the discretion of the employer it is essential to clear this hurdle first.

Some boom—some hopes

MINING
KENNETH MARSTON



"WHAT BOOM?" was the sour comment this week by the Rio Tinto-Zinc group's 57 per cent-owned Australian mining arm, CRA, as it anounced an 84 per cent drop in this year's first half earnings to A$16.02m (£10m).

Warming to its theme, CRA added that constant references Down-Under to the so-called resources boom, "conjures up a picture of immediate large profits, huge projects and renewed growth, at least for some sectors of the economy. That picture is a mirage.

"There is the false impression of foreign buyers clamouring for Australian mineral products on any terms and conditions we impose. To many it thus seems appropriate to start now to share the spoils of this 'boom' . . . a nation which attempts to share out the benefits before they exist must inevitably lose some opportunities for ever, and defer others."

These remarks were clearly intended for home consumption, particularly by the Australian labour unions. Labour unrest is virulent there and we see the similar depressing picture that obtained in the UK not so long ago of ever increasing wage demands at a time of rising costs.

The mineral producers have also been hit by low metal prices and a strong Australian dollar which has reduced the value of export income. Sir Roderick Carnegie, the CRA chairman, has thus held out little prospects of an improvement for his big company in the second half of this year and the interim dividend has been cut to 2.5 cents (1.6p) from 9 cents last time.

But this does not mean that now is the time to part with holdings of CRA. Although it is not out of the wood yet, the company has "many exciting new projects planned" and some of the metal prices have now recovered to the average levels of last year.

If the improved metal prices are maintained CRA may do better in the current half year after all. Meanwhile, the poor results of CRA do not augur well for those for the half year of the parent RTZ which are due on September 16.

Two other major Australian mineral companies which run their financial years to June 30 have also announced heavy falls in profits this week. MIM Holdings has reported earnings for the year of A$106.49m compared with A$203.56m in the previous 12 months.

Those of Peko-Wallsend have dropped to only A$3.9m from A$46.7m and would have gone into the red but for an A$11.3m tax credit.

Here again, high costs and low metal prices have taken their toll. Copper, for example, averaged £837 per tonne on the London Metal Exchange during the year to June 30 compared with £978 in the previous 12 months; while lead was £337 against £499, but zinc held up well at £345 against £325.

However, copper is now around £930 with lead at £420 and zinc at £520. So both companies are hoping to do better in the current financial year and Peko Wallsend has backed its confidence in this by declaring a final dividend of 5 cents which, although reducing the past year's total to 15 cents from 22.5 cents, still requires the company to dip into its reserves.

But for more cheerful reading we have to go to South Africa where the vigorous and second largest mining finance house, General Mining Union Corporation (Gencor), has announced a rise in half year profits to R147.8m (£84.9m) or 185 cents per share, compared with R126.2m in the same period of 1980 when the year's total reached a record R269.7m.

That record should be comfortably surpassed in 1981 because Gencor reckons that in the absence of unforeseen circumstances second half earnings will match those of the first six months. Consequently, the interim dividend is being raised by 5 cents to 55 cents; the 1980 total was 150 cents.

Gencor's income attributable to ordinary shareholders in the past six months was split up as to 35.8 per cent from industrial interests; gold 34.4 per cent; finance 12.6 per cent; coal 7 per cent; platinum 6.9 per cent; and base metals 3.3 per cent.

Meanwhile the group stands to benefit from South Africa's decision to boost her coal export trade, bearing in mind the fact that exports provide the cream on profits of the producers there.

In the more exotic world of diamonds a good deal of discord is apparent. The Ashton joint venture consortium in Western Australia, for example, has been troubled by the hitherto little known Afro-West Mining and Exploration which is disputing the venture's right to claims pegged in the richer part of the Ashton area at Lake Argyle.

CRA, the leader of the Ashton consortium rejects this claim and hopes to have the dispute resolved by the end of this year. But it is one reason why the initial diamond mining operation has been delayed from this year until 1982.

It is also why Mr Alan Bond's 42 per cent-owned Endeavour Resources has just cancelled its bid for Northern Mining which has a 5 per cent stake in the Ashton venture.

Meanwhile, arguments have already started in Australia about the marketing of the diamonds to be produced from Ashton, which will not reach full production until after 1985. Although no decision has been reached, it is thought likely that the stones will be marketed via the South African De Beers' Central Selling Organisation (C.S.O.).

This has led to resentment in a nationalistic country that foreigners, and South Africa at that, will have too much say over Australia's diamond selling policies. The Australian opposition shadow minister for Minerals and Energy, Mr Paul Keating, has already raised questions in Parliament and has called for export controls on diamonds.

The fact that the CSO handles the selling and regulates the supply to markets of over 80 per cent of world diamond production, thus aiming at stable conditions and giving security to the producers by guaranteeing to buy part of their output, tends to have been obscured.

So, too, has the fact that diamonds are in heavy oversupply at the moment and the CSO is having to finance heavy stocks. Another point to be considered is whether the world market will be able by 1985 to absorb Ashton's annual production capacity of some 22m carats, this comparing with present world production of some 47.2m carats.

Remembering the chaotic conditions that prevailed in the diamond market before 1930 when the CSO was formed by the late Sir Ernest Oppenheimer, De Beer's is anxious to maintain its grip on the supply of diamonds. And this anxiety has been increased by Zaire's decision to break away from the CSO and sell its output on the open market.

YOUR SAVINGS AND INVESTMENTS

Eric Short reports on a new privileged class

Better life for non-smokers

A QUIET revolution is starting in the UK life assurance industry. Life company actuaries, in their role as life underwriters, are now accepting the fact that persons who smoke cigarettes will be subject to much heavier mortality rates compared with non-smokers, and are reflecting this difference in the premium rates and benefits offered to non-smokers.

MORTALITY RATIOS FOR MALE SMOKERS, BY TYPE OF TOBACCO USED

Study	Non-smoker	Cigar only	Pipe only	Cigar & pipe	Cigarette & cigar or pipe	Cigarette only
Men in 9 States	1.0	1.22	1.12	1.10	1.43	1.68
British Doctors	1.00	—	—	1.09	1.31	1.73
Canadian Veterans	1.00	1.06	1.05	0.98	1.13	1.54
U.S. Veterans	1.00	1.16	1.07	1.08	1.51	1.55
Males in 25 States	1.00	1.25	1.19	1.01	1.57	1.86

Source: Smoking and Health, Report of the Surgeon General, U.S.A. 1979.

Scottish Mutual have been pioneers in this field for many years. This company has offered premium concessions to total abstainers ever since its launch in 1883 as the Scottish Temperance Life and extended this concession to non-smokers many years ago. But in April of this year it formalised these concessions on an actuarial basis using the U.S. data plus its own experience going back 10 years to make substantial reductions in premiums for non-smokers.

Now non-smokers have three years off their age in determining the premium rate and this applies to almost all classes of traditional policies, including term assurances for self-employed and individual pension arrangements.

This has been followed by two major life companies recently announcing better terms for non-smokers on certain life contracts.

Having put up its rates by 5 per cent, Guardian Royal Exchange, through its subsidiary Guardian Assurance, is offering a 10 per cent reduction for non-smokers on these new rates for its Dynamic Cover Plan—a 10-year temporary assurance where the death cover increases each year. Sun Life Unit Assurance, the unit-linked life subsidiary in the Sun Life Group, is adding 15 per cent of the initial death benefit to the amount paid on death under its Maximum Cover Plan—a unit-liked whole life plan. The concessions apply to persons who smoke cigars or are pipe smokers, but who do not smoke cigarettes.

These concessions are much lower and less precise than those made by Scottish Mutual.

The first warnings on the health hazards of smoking were officially made over 20 years ago. So why have life company actuaries taken so long to react to the medical evidence produced in the interim?

Actuaries have always adopted a broad brush approach to calculating premium rates or the cost of death cover. They have made no attempt to differentiate between place of residence, type of occupation or personal living habits, despite evidence that manual workers have heavier mortality than clerical workers, people living in the North-West do not live as long as people in the South-East or that people who drive fast sports cars have higher mortality than those who walk everywhere.

The only exception to this approach is that women have differential and cheaper rates for life assurance because of the overwhelming actuarial evidence that women live longer than men.

The life underwriter adjusts these standard premiums or benefits on individual cases where there is an exceptional medical or occupational risk. Thus someone with severe diabetes or who climbs chimney stacks for a living will pay an extra premium or have his guaranteed death cover reduced.

U.S. life companies have quoted differential rates for smokers and non-smokers for more than a decade and the evidence from the U.S. states quite categorically that the mortality of cigarette smokers is very much higher than for non-smokers—more than enough to justify differential rates. The table shows the results of some of the studies.

But the clincher for actuaries was the mortality statistics from State Mutual Insurance, one of the largest insurance companies in the U.S. Its experience over a five-year period was that death from respiratory cancer, pneumonia and influenza were 15 times higher for smokers compared with non-smokers, eight times for hypertensive heart disease and hypertension and more than twice for all causes.

Meanwhile, the action of GRE is very much experimental, with the premium deduction very much on the cautious size. It will be many years before life companies will have sufficient data of their own on which to base the premium rates. But in theory, the present rates should be increased for smokers, since the current premium rates are based on the combined mortality of smokers and non-smokers.

But Mr Peter Greenfield, GRE's chief actuary, would not be surprised if within a few years it was common practice for UK life companies to give concessions to non-smokers. This is the quiet revolution.

The method of differentiation adopted by Sun Life Unit Assurance is perhaps surprising. The non-smoker pays the same premium and gains over the smoker only on the sum paid on death. If he cashes in his policy, then the benefits paid—the value of the units—are no different from those paid to the smoker. One would expect the lower cost of death cover for the non-smoker to mean a higher unit allocation and thus more benefits on cash-in. But at this stage, life company actuaries will be experimenting with several alternative methods.

Scottish Mutual has not yet extended its concessions to its unit-linked contracts.

All this so far begs the question of how the life company knows that the policyholder is a non-smoker. Age and sex are easily checked from a birth certificate, but proof of non-smoking is much more onerous. The life company has to accept the policyholder's word that he does not smoke.

The company asks for a signed declaration that the policyholder has not smoked for at least 12 months prior to applying for the contract.

If the policyholder starts smoking after the contract is taken out the reduced rates still apply. Life assurance terms are based on conditions at the time of taking out the policy. Premiums are not increased if the policyholder has a severe heart attack subsequently to taking out the policy. But statistics show that people in general do not start smoking in their mature years, neither do they start smoking again if they have given it up for at least 12 months.

Why gilts investors should be careful on Sept 22

When the Bank of England starts experimenting with new types of gilt-edged stock, it is a sign that conventional methods of funding are under strain. Only then is ingenuity felt to be appropriate. This year, the Bank has been more ingenious than usual.

Index-linked gilts have been the most conspicuous innovation. They were designed to let the authorities off paying the extremely high nominal yields otherwise needed to attract buyers for long-dated stocks. (It will necessarily be years before it becomes clear whether a 2 per cent real return costs more to provide than—say —15 per cent nominal.)

An earlier novelty—the Exchequer 12 per cent 1985 sold by tender at the end of January—is just coming up to its first dividend date. The special feature of this stock is that it carries an option for conversion into the 13½ per cent stock of 1992.

Unlike the index linked issues—restricted to UK pension funds—this convertible can be held by individual investors. Its holders have now to make their first decision whether to convert (on September 22).

They should *not* do so.

The original inducement to buy the "12s of '85"—rather than similar non-convertibles such as the 12s of '84—was that it gave investors who wanted to hold a shortdated stock the extra possibility of hitching on to any relative rise in the longer end of the market. (The authorities would then end up having done some medium term funding more cheaply than was possible when the convertible was issued in January.)

At the moment there would have to be a very substantial rise in the '92s before the conversion became worth thinking about; the conversion terms are penal. (It is only fair to point out that nothing was charged for the option.)

£100 nominal of the '85 is worth £95⅞ (ex dividend). The '92 is trading at £88⅝. Adding on another 17 days of accrued interest to the longer stock—to represent its value on the conversion date at today's market levels—the respective prices are £93¾ and £89.50. The terms on this first date are £99 nominal of the '92 for every £100 of the '85 (later conversions are at progressively unfavourable rates).

At these terms, anyone who decided to convert would find that £93½ of the '85 bought only £88.60 of the '92. By dealing in the market, people who want to switch between the two stocks could do much better. £100 nominal of the '85 will (at current prices buy £104.33 of the '92.

Mr Richard Golding (a gilt-edged analyst at the brokers Grieveson Grant) offered this advice: "If you have the 12s of '85, you should hold on to them unless you have reasons for selling which would make you sell other short-dated stocks of similar yield (such as not wishing to hold gilts, or preferring another part of the gilts market)."

Jeremy Stone

Looking at the bond for all seasons

FROM MONDAY, Index Linked National Savings Certificates will be available to everyone whether they have just been born or whether they have reached their centenary. No longer are they restricted to people who have reached age 50. So perhaps it is the time to remind readers what these so-called Granny Bonds provide and how one invests in one.

These certificates were launched in June 1975. Like all other National Savings Certificates, the bonds do not receive interest. Instead the capital value is increased over the term of the bond. With ordinary certificates the increase is laid down at outset. But with these index certificates, the capital value is increased in line with the movement in the Retail Price Index (RPI).

Like all other NS certificates, this capital increase is free of all taxes. This index-linking applies only if the bond has been held for at least one-whole year from the date of purchase before cashing-in. Thereafter, the capital is revised at monthly intervals.

The bonds are taken out for a five-year period and if the investor keeps the bond for the full five years, he receives a bonus of 4 per cent of the original investment. But he can continue to hold the bond: the present practice is to maintain the revaluation of the capital, as increased by the bonus, in line with the RPI.

The maximum amount that any one person can invest in these bonds is £3,000. But individuals can inherit any number of bonds on the death of previous bondholders.

Thus husband and wife can each hold £3,000 of the current issue and on the death of one spouse and the bond can be passed to the survivor making his or her holding £6,000.

The certificates can be bought from any Post Office and most trustee savings banks—some TSB banks refuse to sell competitive products. The investor simply fills in an application form and pays the amount over the counter—cash or cheque. Bonds can be bought in multiples of £10.

Encashment is just as straightforward. The investor fills in an application for repayment which is processed at Durham and the cash forwarded on completion within a short period. Since the revaluation is made on a calendar month basis, always defer encashment where possible to the beginning of the next month.

Investment for children under seven has to be made by the parent or guardian, as with other National Savings, and encashment cannot be made before the child is age seven unless there are exceptional circumstances.

No other bond guarantees that the original investment will maintain its purchasing value. On the other hand the investment is also guaranteeing that there will be no real return above inflation except for the miniscule bonus at the end of the five-year period.

Eric Short

A hand across the sea

CHARITIES

IAN RODGER

THE BRINGING together of capital from a registered charity and private investors has turned out to be a winning investment formula in the past year or so.

The two small investment trusts launched on this basis are both trading at premiums on their issue prices and now G.T. Management, which launched the first one, Child Health Research Investment Trust in January 1980, is bringing out another.

Marine Adventure Sailing Trust is being set up on the same basis as the Child Health Trust, with the charity, the Marine Society, subscribing for £300,000 in loan notes and other investors purchasing 750,000 ordinary £1 shares at par. Total capital in Child Health was £700,000 in the same proportions.

The idea is that all the net income from the capital invested will accrue to the loan notes while the shareholders will receive any capital gain on the portfolio when the trust is wound up in September, 1988.

The directors will seek to maximise capital appreciation and, initially, an overall gross yield on assets, after running expenses and interest of approximately 5 per cent per year.

When Child Health was launched, it was assumed that only warmhearted, heavily-taxed investors willing to wait seven years for a return would be interested. But the provision of a compulsory winding-up date appears to have had the hoped-for effect of keeping the share price very close to the underlying asset value.

Strong stock markets have helped and the shares are now quoted at 173p, compared to an asset value of about 180p. GT hopes Marine Adventure will follow this pattern.

The £1 shares in the other similar charitable trust, Cystic Fibrosis Research Investment Trust, have risen to 122p since the launch last February.

The main difference between Child Health and the new issue is that the shares are being sold by way of a placing instead of the more costly offer for sale procedure. GT and brokers Greene & Co., Sheppards & Chase and Charles Stanley, who are making the placing, are taking no fees for their efforts, nor is Cazenove, broker to the placing.

GT is not taking any management fee and will face no restriction on its investments either by geographical or industrial classification.

The emphasis will be on a broad international spread of equities.

The Marine Society was founded in 1756 and incorporated by Act of Parliament in 1772. It has helped many go to sea, educated many of those at sea and supported many maritime organisations with manpower and financial assistance. It has also become the trustee for a number of other charities whose objects have been the welfare of seafarers and the maritime interests of the nation.

The society provides further education for merchant seamen, lightkeepers and fishermen as well as seafarers' libraries. The income from the loan notes will be used to the benefit of sail-training organisations, such as the Foudroyant Trust.

PROPERTY

Studs to put your shirt on

BY JUNE FIELD

AUSTRALIAN yearling sales up 70 per cent on last year, and the array of private jets at Blue Grass airfield beside the arena at the recent yearling sales at Keeneland, Kentucky—testament to the fact that some of the world's richest men were bidding for the bloodstock—can only mean that investment in a stud farm could be a reasonable property certainty.

British studs are inevitably less spectacular than their American counterparts (referred to as horse farms) admits Mr Geoffrey van Cutsem, partner in Savill's Mount Street, London W1 office, just back from Keeneland and Saratoga. "While we have nice studs, the quality of our buildings and fencing rarely matches that found in the leading American studs. Nonetheless we continue to produce top-class British bloodstock which is sought after the world over. Evidence of this is that a third of the stallions at Gainesway, a few miles from Lexington, probably the biggest stallion horse farm in the world, have been brought over from England. The 40 stallions resident live four to a barn, each one newly built at a cost of $½m.

Mr van Cutsem goes on to say that Britain, in particular English breeders, because the Irish do have certain tax concessions, are unable to compete with the power of the dollar particularly because of the tremendous tax concessions the Americans enjoy in their bloodstock industry. (The Americans are able to write down certain bloodstock over a two-year period.)

The best English studs are in the Newmarket and Lambourn areas, generally on chalk or limestone, and studs are also to be found in Sussex, the Chilterns, Wiltshire, Dorset, Gloucestershire, Warwickshire and parts of Lincolnshire and Yorkshire. The largest demand is for studs between 100 and 150 acres with a pleasant house, and about 30 boxes, ideal for 10 to 15 mares together with their young stock.

The market is particularly *specialised—divided into two*—private stud farms invariably have a house and anywhere from 20 to 200 acres plus some arable land. This sort of stud caters for the owner's private mares which may vary from two or three up to 15 or 20, together with their foals and yearlings. Usually bullocks or sheep will be run on a stud in addition to the horses, to eat the grass down to the right level, so paddock management is an important part of stud life.

The other type is a public stud, where stallions stand at *the stud, usually owned by* syndicates of up to about 40 shares, and people with mares will send them to the public stud to be covered by a stallion up to three times or until they are tested in foal. The mare may stay there for something in the region of 100 days, and the owner pays a board charge to the stud owner.

Quality, however, is the major criterion for the market in stud farms. The experts are quick to point this out. "Like vineyards, those that are capable of producing the best in world-class terms, go for enormous sums of money, while those that produce plonk are much less valuable," says chartered surveyor Mr Christopher Stephenson, who specialises in the purchase and sale of stud farms and racehorse training yards world-wide.

After considerable experience in the same field with London estate agents John German Ralph Pay with whom he is still an associate, he set up last month as an independent international consultant, working from The White House, East Garston, Newbury, Berkshire. "There is an enormous surplus of demand over supply for stud farms capable of producing bloodstock of international class," says Mr Stephenson, who claims to have 20 multi-millionaires on his books trying to buy stud farms in this country. At the same time he cautions that demand could follow the rest of the market into a decline.

Currently on offer he has the well-known Brazilian stud, Haras Costello, about 110 km from Sao Paulo, for which the *owner is hoping to obtain $7.5m.* Part of the 1,000-acre farm is used for rearing bloodstock, the rest for a dairy herd, and there is a 10-bedroom Colonial-style house, 17 cottages and two chapels.

"I have a number of stud farms available abroad, including one in Australia and one in South Africa. But the majority of these are handled with great secrecy, since the mere fact that they come onto the market tends to devalue them. Valuable staff may be tempted to leave, and those who have interests in the bloodstock might want to move them. Big-name racing clients who are in the market to buy, usually prefer to remain incognito too, certainly until a deal is clinched. And if necessary, ownership of a stud farm can be as anonymous as that of a Swiss bank account."

Among studs recently sold is the Hadrian stud at Newmarket by Lane Fox and Partners, reputedly to an overseas purchaser in the region of £750,000; and the Tedfold Stud with a fine house, seven cottages, 75 boxes, in about 350 acers at Billingshurst, Sussex, for in excess of £1m through Savills. This sale included half thet shares in the two resident stallions, Derby winner Morston and the young stallion Tachypous.

The Brook stud in 200 acres at Cheveley, near Newmarket, has recently changed hands for the first time since 1934, in a deal which included all the bloodstock, much of which traces back to the most successful and influential pedigrees in the stud book, says Mr Stephenson, who negotiated the sale. He acted for Sir Kenneth Butt, who sold his shares in the controlling company for an undisclosed sum to Mr David Harris, partner in the London firm of chartered accountants Stoy Hayward and Company, and a member of the Racehorse Owners' Association.

On the market again is the Gainsborough Stud, a dual purpose public and private stud in about 103 acres (41.96 hectares) near Newbury, which only just failed to reach the reserve at auction in July. Formerly owned by Mr Robert Blagrave when it was known as the Hardwood Stud, it was bought by Midlands-based businessman Mr Jim McCaughey wio years ago. The present name derives from the stallion Gainsborough, sire of Hyperion. Savills are looking for offers in the region of £450,000. They are also offering, with Hibbert and Co., the 16th century Manor Farm, in about 12½ acres in the Chiltern Hills, which they say could form the basis of a small stud, for a sum in the region of £250,000.

The 16th century 7-bedroom, 3-bathroom Manor Farm in 12½ acres near Henley-on-Thames, which could make a small stud, includes 8 loose boxes, 3 paddocks, a period barn, studio-apartment, pool, sauna and hard tennis court. Savills and Hibbert and Company are looking for offers in the region of £250,000.

Fox and Sons of Fordingbridge, together with Christopher Stephenson, have Major's Farm and Stud, Whitsbury. The stable-yard was originally built for Sir Gordon Richards when he took up training, by bookmaker William Hill. *To show how* prices in this part of Hampshire have risen over the last 20 years, the original owner of the farm told me that he bought it in the 1950s for about £13,000, with 70 acres. "I rana 45-cow dairy herd and 20,000 broilers on some 40 acres, and sold that part of it to Mr Hill in the mid-1960s."

The *present owner*, Mr Bob Leedham, is selling the property because his daughter, who bred children's riding ponies and hacks, is getting married; the farmhouse, staff bungalow, stable-yard with 35 loose boxes and son, plus some 7 acres, is on offer in excess of £165,000, and the rest just over 30 acres with seven post and rail paddocks, has a price guide of £60,000.

Humbert's of Lincoln's Inn Fields, WC2, are selling Grinstead House and Stud in 25 acres in Partridge Green, Sussex, for offers of £200,000, on behalf of Mr Richard Baerlin, racing correspondent for *The Guardian* and *The Observer*, and in the same county at Lewes, Bernard Thorpe and Partners have Nunnery Stables scheduled for auction on 17th September. The training yard, originally built at the end of the 19th century by the Master of the Southdown Foxhounds, has been occupied over the last seven years by trainer Miss Auriol Sinclair, who established herself with Arctic Actress and Avec Moi. A price in excess of £70,000 is anticipated by Mr *John Lloyd at Bernard Thorpe*, 1 Buckingham Palace Road, London, SW1.

GARDENING

A floral merry-go-round

BY ARTHUR HELLYER

THIS IS the time of year which brings me into closest contact with the work of plant breeders. Some of the largest commercial firms conduct extensive trials, not only of their own productions but also of varieties from other breeders, partly for comparison, partly in the constant search for promising material worth acquiring. The Fleuroselect Trials of new flowering plants grown from seed are being conducted in numerous European countries and award-winning varieties are on display in various gardens and nurseries.

On top of all this activity there are the very extensive trials of ornamental plants and vegetables conducted by the Royal Horticultural Society in its trial grounds at Wisley, Surrey, and at St Albans in Hertfordshire. The Royal National Rose Society has its own trials of new varieties to which the 1981 awards have now been made and will be announced at the society's autumn show on September 11 and 12 in the Royal Horticultural Society's New Hall, Westminster.

Continuing exposure to all this effort is both stimulating and, at times, a bit baffling. I am filled with admiration for the skill and perseverance with which plant breeders apply themselves to their chosen tasks but I am often astonished that some of them continue so long to labour intensively along lines which appear to offer little further scope for development.

There is, for example, no indication of any falling-off in the numbers of new petunias and marigolds despite the fact that almost every combination and permutation of existing genes *would appear* to have been made years ago. There are still tiny variations for those whose eyes have been trained to see them, but for my part I find myself combing the fields year after year and coming back with much the same conclusions, which include the fact that for a long time past it has seemed to me that far and away the best petunia for British gardens was Resisto Rose.

To my eyes the most striking advances made in recent years in flowers to be raised from seed have been in the dianthus family with the so-called Chinese pinks *such as China* Doll, Magic Charms and Queen of Hearts, but even more with the carnation section of this big family. These are perennials, not annuals, but for a long time the race known as Chabaud carnations has been produced to be grown from seed sown annually in late winter or early spring, flowered outdoors in summer and then discarded in the autumn.

It does not seem so long ago that these were rather despised plants of more interest to perfume producers than to gardeners, not very attractive in habit and with rather shapeless flowers. Quite suddenly all this has changed and some of the new "annual" carnations are quite stunningly good garden plants. Carry on a few more years like this and one wonders whether anyone will bother to grow carnations in any other way.

What the breeders have set out to do here is to produce extremely bushy plants that are *completely* self supporting, very free flowering and produce large, well formed flowers that do not split open as the old Chabaud carnations invariably did.

Crimson Knight was one of the first to catch my eye, a handsome, deep-crimson carnation so covered with flowers that it would be impossible to find any non-flowering stems for use as cuttings or layers if one had a mind to grow this plant as a perennial. But of course one is not supposed to attempt any *such things*. Though still technically perennials, the seed producers have bred these plants to be grown as annuals and they so exhaust themselves with flower production in their first year that I doubt whether, by autumn, many plants retain sufficient vitality to struggle through a British winter.

There are several more varieties of similar character, White Knight, Yellow Knight, Orange Knight and Scarlet Knight among them as well as a mixture of colours that is doing well in my garden at the moment. However the one that has really taken my fancy these past few weeks comes from another breeder and is named Scarlet Luminette. It is compact, free flowering, shapely and a really vivid scarlet.

RACING

BY DOMINIC WIGAN

MARWELL, who made up for a sub-standard display in the 1,00 Gns by brushing aside Age Quod Agis in Haydock's Gus Demmy Memorial Stakes, returns to the Lancashire course for today's Group 2 Vernons Sprint Cup.

With both Moorestyle and Sharpo absentees the remarkable Habitat filly (a winner nine times from 11 starts) will add this £40,000 added purse to her winnings provided that she is not now beginning to feel the effects of a strenuous campaign which saw her brought back to the fray in the Fred Darling.

Although some might say that *her second placed effort behind* Sharpo in York's William Hill Sprint Championship, was not one of Marwell's best—and gives cause for concern whether she is now temporarily past her peak—the reverse is true, according to Michael Stoute.

Marwell, who comfortably held To-Agori-Mou's narrow Goodwood victim, Moorestyle (the winner of today's race last autumn), *in York's big sprint*, faces two Frankie Durr representatives in Crews Hill and Sanu this afternoon as well as Runnett, Sayaf and Prince Echo. The High Top gelding Crews Hill, the winner of four consecutive races last term in a 13 race spell, is now back to his best judged on his recent performances which have included a fourth place run in the William Hill sprint championship. He may be the one for forecast backers.

Just over two hours before the violent sprint a high class Kempton programme gets under way with the Shean Graham fillies' stakes which is followed by good races for both the Intercraft Solario Stakes and the September Stakes. Montekin looked a top class prospect in the making at the last meeting here and must take all the beating in the Solario won a year ago by To-Agori-Mou. Further north Military Band, once thought of as a possible St Leger outsider, ought to have few problems at Thirsk.

KEMPTON
1.30—Home On The Range
2.00—Montekin**
2.30—Old Oak Tree
3.00—Prima Voce
3.30—Lady Lorelei
4.00—Skerry Dance

HAYDOCK
2.15—Strapless
3.15—Docklands
3.45—Marwell
4.15—Shademah

THIRSK
1.45—Sporting Painting
2.15—Ihaj*
2.45—Military Band**

TRAVEL/MOTORING

Popocatepetl, tequila and Mayan ruins

BY LAILAN YOUNG

"I DON'T like your English," said my Mexican guide. Peeved and humourless, I snapped back that his Spanish would offend true Spanish ears, but with British visitors thin on the ground in a country where 82 per cent of the tourists are American, it was hardly surprising that he had never heard our English.

Mexicans—even my guide—are friendly and hospitable, and by no means does everyone have a *mañana* approach to life. The country is about the size of Australia and 16 times bigger than Britain, forming a land bridge between North and South America. Dense jungle, forests, sandy beaches, great mountain ranges dotted with volcanic craters, and small valley settlements give the land a patchwork quality from the air. Two mountains, including the mystic Popocatepetl, are in the world's top mountain league.

The true traveller will use the local buses and not be offended by the noisy engines and evil-smelling exhausts attached to old bangers with names like Socrates. Travelling companions will be a varied lot—some very fair complexioned, some native Indians, although most will be *mestizos* —Mexicans of mixed Spanish-Indian blood. Goats are hoisted on to roof racks, and inside are tiny, eternally-pregnant women with a baby and an upside-down very much alive turkey strapped to their backs.

Mexico for the visitor divides into the colonial towns, Indian communities, the coastal resorts of the Caribbean and the Pacific and the great archaelogical sites; plus Mexico City and other major centres such as Monterey and Guadalajara with nearby Tequila where the famous liquor is distilled and drunk with salt and lemon.

Despite an altitude of over 7,000 ft, Mexico City is so polluted and traffic-jammed that we fled at the first opportunity. A city should never have been built over the swamp, and today, with a population of 14m (30m by the year 2000) it suffers from polluted water and dense smog laden with carbon monoxide fumes from millions of ill-serviced American vehicles.

The capital's assets are the nearby pyramids of the Sun and Moon at Teotihuacán, the Ballet Folklorico at the Fine Arts Palace for an artistic and colourful evening of music and dances some of which date back to pre-Columbian times, and the superb Museum of Anthropology.

Fisherman mending his nets on the shore of beautiful Lake Chapala in central Mexico

Exciting, too, are the craft markets, for Mexican crafts are outstanding for their design, colour and originality: pottery, elegant and stunningly beautiful dresses, shirts and wall hangings; handwoven rugs of vegetable-dyed wools, naive paintings on bark, tin sculptures, onyxwares, silver, copper, hammocks, leathergoods. Our best buys came from the *Centro Artesanal* (the Sán Juan market) where there are hundreds of stalls, but you have to bargain.

Toluca market, 40 miles from the capital, is a popular excursion particularly on Fridays when thousands of Indians from surrounding villages assemble with their crafts and foodstuffs. But infinitely superior is the Saturday market in Oaxaca. Here Zapotec and Mixtec Indians sell hand-made goods, and for £100 we bought exquisitely patterned woven rugs, an exotic selection of Christmas gifts, and a 12 lb pineapple which the British Airways steward found room for in the TriStar's refrigerator on the return journey.

Oaxaca—essentially an Indian town 340 miles from Mexico City—is the gateway to the famous archaeological sites of Monte Alban and Mitla. The Zapotecs who created Monte Alban about 1,000 years ago levelled a mountain top before building their 15-square-mile religious city, the remains of which include the main square and tombs.

At Mitla the well-preserved buildings—probably the palaces of priests—are noteworthy for their handsome, geometrically carved walls. An American car with driver-guide costs 1,500 pesos for a half-day tour to Mitla and the same to Monte Alban, but each journey costs 250 pesos per person by tour bus. Arranging tours anywhere in Mexico can be a slow business aggravated by local inefficiencies and siestas.

We enjoyed the beautiful hotel El Presidente Santa Catalina, a former convent, in Oaxaca, and recommend a night at the Teatro Macedonio Alcalá —a Spanish jewel of a theatre—if the Oaxacan folk dance group is performing. Oysters *au gratin* at Asador Vasco overlooking the *zocalo* (main square) were excellent. Also worthwhile are the church of Santo Domingo and the adjacent regional museum, and a 12 km taxi ride to the workshop of Doña Rosa whose son continues the unique way of making black pottery without the aid of a wheel, using instead a plate spun on the base of another plate on which he moulds the clay.

Lured by Mexico's ancient stone pyramids, we flew to the Yucatan, the very name of which evoked for us images of proud peoples holding out against domination from Mexico City till well into this century, safeguarding their Caribbean shores from bikinis and snorkels.

Here are to be found magnificent pyramids and cities of the powerful Mayas, best remembered by visitors for the sites of their human sacrifices and refined contributions to astronomy, maths and the calendar.

It is exhausting, but exhilarating, to climb hundreds of stairs to the tops of pyramids: Palenque, Chichen Itza, Uxmal and many others deep in the jungle. Even in February the winter sun was scorching, and weeks later we could still admire our Chichen Itza suntans.

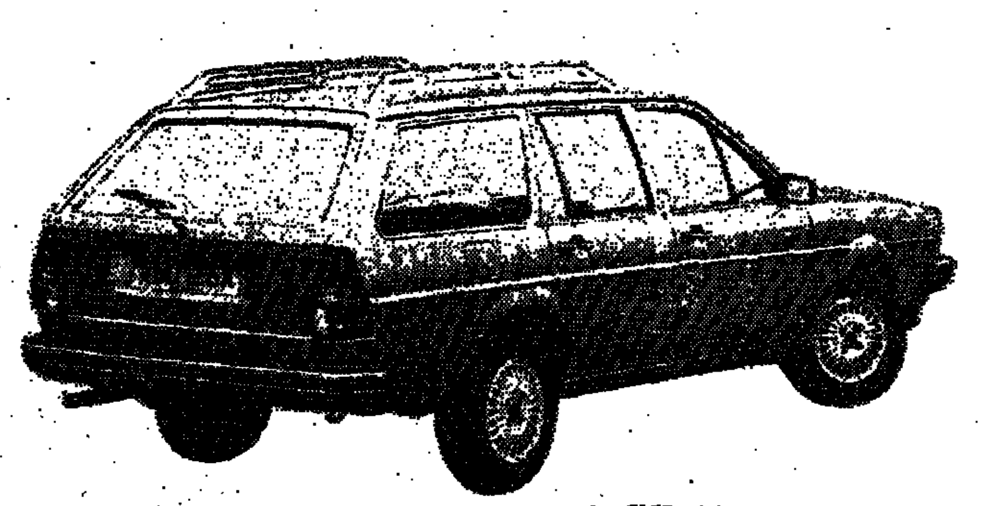
Mérida, capital of the Yucatan, was our touring base where bars display signs "broken English spoken perfectly here." Our "deluxe" Hotel Paseo de Montejo was dirty and noisy and should be avoided at all costs. For relief from the heat of th ecities and pyramids there are the Caribbean resorts of Akumal, Cozumel and Cancun.

Taxco, an attractive 18th-century town where silver jewellery is made, is two hours' drive south-west of Mexico City and our only concession to the colonial towns' trail, but we have reports from trusted friends that Guanajuato is the pearl of Mexico as claimed in the official tourist literature and San Miguel de Allende another pleasing town.

Like the Americans we met, we found Mexico considerably more expensive than a few years ago, progressing from a fairly cheap holiday land to an oil-rich nation. Taking into account the trans-Atlantic fares, hotels and restaurants, local taxis and excursions, Mexico is probably best visited by joining a tour group which allows time for independent sightseeing an dshopping for the glorious crafts.

Sovereign Holidays allow plenty of free time and give guidance on craft shopping in Mexico City and elsewhere. Also on their all-inclusive itineraries are visits to the main archaeological sites, Taxco and other colonial cities, Oaxaca, Mérida, even to fashionable Acapulco on the Pacific and several Caribbean resorts. The best time is the dry period from November to March. The capital can be cold at night but elsewhere the days are very warm and sunny and the nights pleasantly cool.

More information from: Sovereign Holidays, Speedbird (Mexican tours include four nights in New Orleans) and the Mexican National Tourist Council, 7 Cork Street, London W1, who issue the necessary Tourist Card. For the independent traveller, the British Airways Apex fare is £349 till June 14 and £399 from June 15 to mid-October (high season). Car hire is about £7 per day plus 6p per km, petrol about 40p per gallon.



The posh one: Volkswagen's five-cylinder GL5S estate

Fuel economy made easy

BY STUART MARSHALL

AS OTHER manufacturers downsize their cars in the interest of fuel economy, Volkswagen have just launched their new Passat in Britain. It is larger, faster, more refined and better equipped than the former Passat but is also claimed to be more fuel efficient, largely due to improved aerodynamics.

Not surprisingly, it is also more expensive. The price increases range from less than £300 in the case of the basic five-door LS (now £5,351 instead of £5,071) to close to £1,000 for the GL5S automatic estate (£7,022 compared with £6,196). The differences are greater for the GL models than for the LS cars because the GLs now have a five-cylinder, 1.9 litre engine instead of the 1.6 litre four-cylinder.

Really, the GLs have moved into another class. VW say it won't happen, but I suspect the Passat GL, with its silky 115 bhp five-cylinder engine giving it a top speed of 116 mph, will compete with the new Audi Coupe. They are, after all, hardly any different under the sheet metal, though the Passat costs £1,000 less. And I would rate the £6,447 five-cylinder Passat GLS a better, though I suppose less prestigious buy than the four-cylinder Audi 80 GLE at £7,441.

Volkswagen have launched a multi-pronged attack on fuel consumption with the new Passat. First, the GL5S is offered as standard with what must be the most sensible gearbox ever to go into a high-volume family car. It has four reasonably close gears—though third is still good for over 80 mph—and an agreeably flexible top for town and traffic driving. On the motorway, you slip into a fifth gear which VW simply call "E." It means, if you haven't guessed, economy. In "E" the car is slower than in fourth, but perhaps 15 per cent more economical.

There is a gear shift indicator, with a little coloured light to signal when a driver can save fuel by changing up, and a miles-per-gallon indicator which tells him his exact consumption at that moment in top gear. VW say it is accurate within five per cent and I think it is more useful than some of these expensive mini-computers which feed out so much information one hardly knows what to do with it.

Electronic ignition, with a device to keep engine idling speed constant under all conditions, makes a further fuel-saving contribution. The five-cylinder 1.9 litre GL5S cars are a litle heavier on petrol than the 1.6 litre fours though at a constant 75 mph there is less than one mile per gallon in it—34 mpg for the 1.6, 33.2 mpg for the 1.9 with manual gears, 29.4 mpg (28.2 mpg) for the automatics. Any manual Passat should give at least 30 mpg in average use and thus 400 miles between refilling the 13.2 gallon tank.

Last week, I tried two of the new Passats. Both were estate cars (the only other body style is a five-door hatchback).

It is quite a large estate, with a load floor extending to 5 ft 7 ins with the rear seat folded down—in two sections in the GL versions—and 4 ft 8 ins wide. The GLs also have permanently fixed rails, just like the Mercedes estates, to which crossbars are attached to make a roofrack. Even at the 100 mph-plus cruising rate which the GL5S estate happily held indefinitely, there was not a whisper of wind noise from the roof rails and not enough mechanical or tyre noise to interfere with radio or tape player listening. No-one drives harder than the German motorist nowadays and it shows in Germany cars. The makers know they are going to be flogged and they are also well aware that buyers won't put up with harshness or frailty.

So the new Passats are typical German products: short on character, perhaps, but fast, smooth and almost intimidatingly efficient.

Faster Fiesta

FORD HAVE announced the fastest Fiesta yet—a 1.6 litre XR2 model that will make its public debut at the Frankfurt Show in a fortnight and go on sale in Britain towards the end of the year.

It has a top speed of 105 mph and firmer suspension, alloy wheels and 60 series ultra low profile tyres to take care of handling and roadholding. Front and rear aerodynamic spoilers and extended wheel-arches help it to look the part, too, but also make their contribution to stability at high speeds.

All Fiestas except the "S" model for 1982 have had their ride comfort improved by increasing vertical wheel movement; a number of interior changes include larger, more suportive front seats. Most Fiestas will now have maintenance-free, solid-state electronic ignition systems.

Throughout 1980 and for the first half of this year the Fiesta was Britain's best selling small car. Even now, despite pressure from the Metro and other competitors, it takes 7.8 per cent of total car sales. Ford are confident it will do even better next year.

European Open

THE TROUBLED European Open championship, dogged by financial problems since its inception at Walton Heath in 1978, has kept its place in the PGA European tour calendar with the help of some new main sponsors, Dixcel Tissues, and a conglomerate of companies which have contributed handsomely to the running costs and the huge £105,000 prize fund.

The second round of this fourth European Open was

GOLF

BEN WRIGHT

played yesterday at Hoylake in unusual weather for the Wirral Peninsula, in that the sun shone from dawn until it was almost dusk and there was hardly a breath of wind. More normal conditions at the magnificent Royal Liverpool Club are gales and floods and hale and snow.

Regular visitors to Hoylake were hardly prepared for such docile weather and only a few years ago competitors in the Amateur championship were forced to huddle together in fairway bunkers to escape the fury of a raging hailstorm. Happily, all is well this week and the competitors are taking full advantage of the near defenceless 7,019 yard Hoylake links with often brilliant scoring.

The husky Greg Norman, who globe-trots like a horizontal yo-yo in search of massive prize funds and titles, jetted in from America the other evening and with the benefit of only one practice round, played in the company of an amiable trio of amateurs in the curtain raiser pro Am, he set a new course record of 66, six under par, in Thursday's first round.

There were some mixed feelings among the Royal Liverpool Club members about the record because it was previously held by the three times Open champion Gary Player, and the seemingly ageless Roberto de Vicenzo whose Open championship victory at Hoylake in 1967, made him the oldest winner of the title.

He is now in his 49th year and the new sponsorship conglomerate of this week's events had the foresight to invite him over to compete again on this long and testing course. He made many friends during that 1967 Open and many have been at Hoylake this week to welcome him back. Members and visitors were quick to remark that he has changed little in appearance or manner in the last 15 years, and dozens of wellwishers took the opportunity to shake his hand and express the wish that he does not leave it so long before he returns again.

Roberto was paired for the first two rounds with Sam Torrance, winner of the Carrolls Irish Open last month, which earned him a place in the European Ryder Cup team to play the U.S. in two weeks, and Severiano Ballesteros who is sensibly trying to make his peace with the European tour officials and players after a season of public wrangling and acrimony, mainly over money.

The dashing young Spaniard received a warm welcome from the enthusiastic Liverpudlian crowds on what is only his second appearance in this country for almost a year. And he did not disappoint them. He has struck the ball magnificently for most of the first two rounds and he also introduced the type of occasional wayward drive which has made him so popular with spectators all over the world.

Some of the recovery strokes which make Ballesteros such an exciting player to watch had not been quite as sharp as they used to be, no doubt because of his lack of competitive play this year. But he is still out in front and challenging for the first prize cheque of £17,500 on completion of the 72 holes tomorrow evening.

Ballesteros began the week as the bookmakers' second favourite and moved up a place with drastically reduced odds going into today's third round. He scored 68 in the first round and took over the lead of the championship in the closing stages of yesterday's second round, which included two eagles, the first at the 505 yard third and the next at the rather longer 14th.

The super-confident Norman, who has the potential and personality to become as big a golfing star as Arnold Palmer and Jack Nicklaus, was saying on Thursday evening, after his record 66, that the 428-yard opening hole holds no fear for him, despite the low turf wall which forms an artificial out of bounds down the right hand side.

It was nearly a drive and a wedge, he said, and he proved the point by opening the championship with a birdie three. He took a wooden club off the tee again yesterday, and promptly drove straight out of bounds. The result was a six, but his discomfort did not last long.

He birdied the next hole to keep his place at the head of the field and was heading for a share of the lead until he skied his drive at the 17th and dropped a stroke, while on the adjacent fairway Ballesteros was busy collecting a steady par five, and following up on Norman's heels with a birdie three at the penultimate hole.

BOOKS

Atom men

BY SIR RUDOLF PEIERLES

The Physicists: A Generation That Changed The World
by C. P. Snow. Macmillan. £8.95. 192 pages

I saw a good deal of C. P. Snow during the war, when one of his duties in the Central Register of Scientists was to interview annually the graduands in science in the universities and to decide whether each student could be most useful in some branch of the services, or in a research establishment, or in continued training. We were all most impressed by his capacity for assessing each candidate on the basis of a brief paper record and a two-minute interview. He nearly always put his finger on the essential traits of ability and character in a summary that could not be improved upon by the student's teachers, who had known him for years. The same capacity for sketching the personalities of people he encountered (which is not the same as the capacity for making fictional characters come alive) showed up in his essays, for example in his portraits of G. N. Hardy or of Einstein.

His posthumous book, *The Physicists*, is not so much a portrait of individuals, though many of them play a part, and not even of a group, but of an era in science. It is the story of what happened to physics, and to physicists and their place in society, during the first half of this century. During this period the study of the structure of matter, which previously had not been regarded as the concern of the physicist, became his main field. New techniques brought about new discoveries at a breathtaking rate, and revolutionary new ideas, such as relativity and the quantum theory, were forced upon us by the newly discovered facts, and had to be assimilated by any disciple of the subject. There never was a period of such intense excitement in physics, and quite possibly there never will be.

In the 1930s the most rapidly developing branch of physics was that of the atomic nucleus, which to its most enthusiastic practitioners appeared to be a completely academic pursuit, sure to lead to fascinating insights into the intimate structure of matter, and to new aspects of the basic laws of nature, but never to any results of practical significance. The discovery of fission, which obviously could, and soon did, lead to spectacular new powers of destruction as well as to new benefits, came just before the second world war, and soon a large number of physicists were at work trying to achieve the realisation of these new powers. This was done under conditions of military secrecy, but when the news of the use of nuclear weapons on Japanese cities broke, the status of physics and of the physicists changed overnight. Some praised them for having helped to win the war, some blamed them for the new powers of destruction, but either way they had become important. In fact, their contributions to other developments such as radar were no less important, but less spectacular. One consequence was that for a time it became easy for the physicist to get expensive equipment. This was important because fundamental physics had developed in a way which needed bigger and more expensive machines and instruments — not for creating more weapons or more power sources, but for continuing the basic search for the ultimate laws of nature, which had been interrupted by the war work.

Snow's account of this period is brief and, like his sketches of persons, confined to the main traits. It is reminiscent of a charcoal drawing, in which a few simple lines can give us the shape of a tree or the character of a face. For achieving this effect it is not necessary that each stroke of the drawing should be placed with realistic accuracy.

Snow was not himself a participant in the development he describes — and this probably gives him a better perspective — but he knew some of the key people personally, and he uses his personal impressions of people like Rutherford, Bohr, Kapitza and Oliphant, to illustrate and enliven the story. His study of Rutherford is particularly perceptive and goes well beyond the familiar image of a supremely confident and robust personality.

As in the charcoal drawing, it does not detract from the effect of the presentation that some details are incorrect. Heisenberg never "became an active spokesman for the Nazi faith." Uhlenbeck shared a major discovery with Goudsmit, but did not join him in the ALSOS mission to discover what the Germans were doing about atomic energy. The "best conceptual minds" did not in 1926 argue whether wave mechanics or quantum mechanics was right, since only two months passed between the first publication of Schrödinger's equation and his proof of the equivalence


Niels Bohr: the founder of modern physics

of the two methods. The name "particle physics" was never used in the 1930s, and never applied to atomic or nuclear physics.

Fermi did not use "tin cans and bits of paper" for his simple and elegant estimate of the blast wave from the first atom-bomb test, just a scrap of paper. General Groves was not "a singularly bad choice for his job." One could go on, and students of history should not treat this book as a source, but the slips do not spoil the liveliness of this portrait of a period. It must also be remembered that the book, as published, is a first draft, and that Snow died before giving it a final polish, and might well have corrected some of the errors.

Like any good account of a real piece of history, the book has no thesis. There is a thesis in a lecture called "The moral un-neutrality of science" included as an appendix, in which he argues that scientists must concern themselves with the consequences of their work, but it would be misleading to assume this to be the aim of the whole book. Perhaps the most general thought recurring several times comes from a quotation from Oliphant, saying that the discovery of fission "has killed a beautiful subject." Snow disagrees with this remark by pointing to the development of fundamental physics since the war, which he reviews briefly, and in which the spirit of search is much like that of earlier days. Oliphant might well retort that the large numbers, the need for huge equipment, and the vast increase in the amount of information published have changed the style of work beyond recognition.

The book is well characterised by what William Cooper says in an introduction: "... written as it was, straight off and at great speed, it has an unimpeded narrative impulse together with a completeness over the period of time, which simply ask for it to stand on its own as a literary work."

Lost Eden

BY ZARA STEINER

Anthony Eden. A biography
by David Carlton. Allen Lane. £20.00. 528 pages

This book, despite its subtitle, is not a biography in the real sense but a study of Anthony Eden's foreign policies over the thirty year period when he was more intimately concerned with its conduct than any other single politician. The personal side of Lord Avon's life is only sketched; the description of his childhood and the crucial war experiences about which he wrote so lyrically in *Another World*, the details of his family life and friendships, bureaucratic concerns and working habits are left for some future biographer who will have access to Eden's private papers and to a wider range of sources than even David Carlton has been able to explore. The point is worth stressing because this is a highly critical reading of Eden's career which brilliantly exposes a number of commonly held assumptions about his achievements but which is more convincing as a diplomatic study than as a portrait of an enigmatic figure.

The man who emerges from these pages is highly ambitious, inordinately vain and fully conscious of the prerogatives of office. He is also weak, vacillating, indecisive and supersensitive. He is dwarfed by Neville Chamberlain and by Churchill, also a pre-1914 figure (as Eden was) but cut from a different cloth. Eden did not evoke even the warm affection accorded Ernest Bevin by his Foreign Office officials. Condemned to wait too long in Churchill's shadow, he lacked the physical and the emotional capacity to lead the country when the long awaited prize of the premiership was finally achieved. Eden's failure during the Suez crisis is almost the predictable if not the inevitable outcome of Dr Carlton's reading of Eden's career. Though often in agreement with Dr Carlton's analyses of particular events and repeatedly impressed with the mass of detailed material found in the sources available to him, many will feel that more needs to be said before a just verdict can be reached.

Dr Carlton authoritatively demolishes the image of Eden as the champion of the League and the consistent supporter of collective security. He shows how the ambitious young diplomat cultivated a reputation which was at variance with his advice to successive chiefs and with his actions in Geneva. Even on the question of Abyssinia (which led to his appointment at 38 as the youngest British foreign secretary since 1851) the record is less clear than contemporaries believed. Eden was neither a consistent opponent of Mussolini (whose importance and threat he grossly exaggerated) nor of Hitler and, like so many, sought a settlement with the Nazi leader in east-central Europe though not at the expense of a colonial bargain. Dr Carlton correctly argues that the differences between Eden and Chamberlain, in this respect, were marginal. Eden wished to keep Hitler guessing; Chamberlain acted to anticipate Hitler's actions. Neither would oppose his gains by the threat of armed action. Though there were clashes over Italy and the role of the United States, Eden's resignation was hardly on a point of principle. Chamberlain was angered by Eden's indecisiveness and dilatory diplomacy; Eden by the prime minister's initiatives in foreign affairs. Dr Carlton refers to Eden's political calculations for the future and his general physical and mental tiredness in 1938.

Dr Carlton places on Eden's shoulders much of the responsibility for Britain's dependence on her allies. He belongs to that group of British historians who believe that Hitler's ambitions were limited and that the costs of the Grand Alliance against Nazi Germany may have been too high. His reading of British diplomacy stems less from a study of German intentions than from his preoccupation with Britain's decline and loss of empire, the unwelcome emergence of the two super-powers and the Soviet domination of half the European continent. There is here a far greater emphasis on the negative consequences of the war than on the dangers of living alongside a German-dominated Europe or of being unable to defeat Germany militarily. Dr Carlton's focus in this book is on the post-1943 world. Compare his summary defence of Eden's attitude towards the Jewish refugees question with his detailed and not unsympathetic treatment of Eden's role in the repatriation of the Soviet prisoners of war, a not unrelated act of *realpolitik*.

Eden's many and continuing disputes with Churchill are one of the central themes in this volume. In 1938 the two men, except in age, were equals and rivals. Eden might well have thought that he was the most likely successor to Chamberlain. The political manoeuvring which resulted in Churchill's elevation is described in pages which represent historical reconstruction at its best. The subsequent partnership was neither familial nor harmonious. There were sharp quarrels over France (Dr Carlton is less than just to Eden's handling of de Gaulle), Japan, Spain, Yugoslavia, Greece, but above all, about relations with the Soviet Union.

Dr Carlton's tone changes somewhat when he comes to the post-war period when his judgments of Eden are less sharp. Extracts from Evelyn Shuckburgh's (Eden's private secretary) diary chart the toll taken by Churchill's continual baiting of his too long-suffering junior. Moreover, the damage to Britain's position was already irreparable; what had been done between 1938 and 1943 could not be reversed despite Eden's attempts to recoup Britain's lost independence. Suez represents the climax of this book; it was, after all, the great crisis of Eden's career. Despite the lack of official sources for this period, Dr Carlton has uncovered a good deal of new


Eden on his way to the Palace to become Prime Minister in 1955

material from the American archives and superbly documents an event which is already fading in importance as a landmark in Britain's retreat from great power status. What is most surprising is not Eden's cavalier treatment of Dulles at the time of the Baghdad Pact, nor the details of the British-French-Israeli collusion (revealed by Pineau to Ambassador Dillon in Paris thereby discrediting Eden's story) but President Eisenhower's vitriolic reaction to what had happened.

Quoting Winthrop Aldrich's transcripts, Dr Carlton describes Eisenhower's exchanges with Macmillan, Butler and Lord Salisbury who, without the knowledge of Eden or the Foreign Office, arranged the terms of the British capitulation and Eden's necessary resignation. The president was looking for a "Janos Kadar figure" to replace the prime minister and to restore harmony to Anglo-American relations. The British trio were far less loyal to Eden than the latter had been to Churchill. As the prime minister travelled to Jamaica, Eisenhow was being assured that he would not return to Downing Street.

This is a fascinating book, excitingly written and full of material which no future student of this man or period can afford to ignore. Dr Carlton has successfully divorced the reality of Eden's performance from its more acceptable appearance. But he has pressed his case too relentlessly. It is questionable whether Britain and its Foreign Secretary had the choice of options which Dr Carlton accuses Eden of so blindly ignoring. Moreover, Eden had his admirers as well as his detractors from among those with whom he worked. In this account, Eden is almost always wrong; his few diplomatic successes are linked to personal ambition and the need for self-glorification; the defences of his actions (few in number) are balanced by quotation from adverse secondary sources. We still need a more complete and sensitive biography.

Diamond hard

BY RICHARD LAMBERT

The World of Diamonds
by Timothy Green. Weidenfeld and Nicolson. £7.95. 272 pages

Diamonds are forever and so, perhaps, is De Beers. Until quite recently, the giant South African group's monopoly control over the world's diamond trade has seemed unchallengeable. It has extended for the best part of 50 years, and has successfully overcome both the anti-trust attitudes of the U.S. and the anti-capitalist prejudices of Russia.

At some stage en-route from mine to customer, 80 to 85 per cent of the world's diamonds have been passing through De Beers' hands, and its mines produce over 40 per cent of the world's gem diamonds. Secretive and paternalistic, its power has extended to every corner of the market place. But in the last year or two, the ground has started to shift. A wild frenzy of speculation sent the price of diamonds surging temporarily out of De Beers' control.

At the same time new discoveries — in Australia for instance — have threatened to loosen De Beers' grip at the production end. Political uncertainties have posed question marks over its important interests in Namibia, and Zaire has broken away from its marketing network.

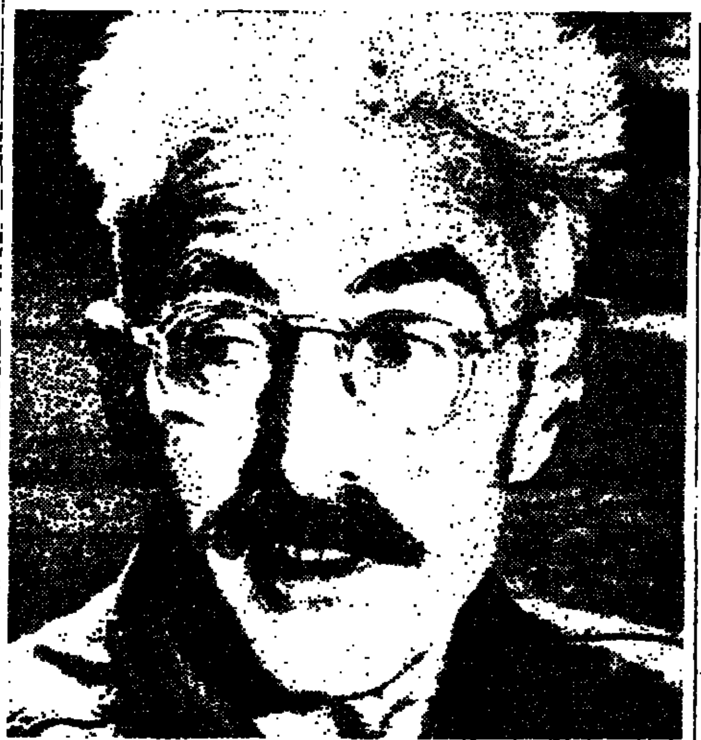
If it is to survive for any length of time, a monopoly must be able to reward those with whom it does business. Harry Oppenheimer, the group's chairman, has observed that if De Beers is a monopoly, then it is one of a most unusual kind. "There is no one concerned with diamonds, whether as producer, dealer, cutter, jeweller or customer who does not benefit from it."

But the cosy days of carefully controlled supply and steadily rising prices are over, at least temporarily. So it is a very good moment to produce a comprehensive layman's guide to the international diamond trade, and that is just what Timothy Green, an established authority on the international gold market, has now done. Timothy Green in this well-timed book believes that De Beers' dilemma stems from South Africa's declining importance as a diamond mining centre. A mining house with a firm base in domestic output is much better able to dictate to others, since the fat profits on its own mines enable it to offer highly competitive prices to outsiders.

Until the early 1970s, four-fifths of the group's own production came from its South African mines, and the rest was from South West Africa which was then firmly under South African control. Soon, however, the South African proportion could be down to 40 per cent, and the group will be under growing pressure to take a smaller slice of the cake in Botswana and elsewhere.

De Beers is an enormously powerful company, and has pulled through tough times before. In the early 1930s, Sir Ernest Oppenheimer, Harry's father, simply stopped production in order to get supply back into balance with demand. It is going to have to prove equally adaptable in the years ahead.

Timothy Green has written an attractive, if uncritical, guide to the world which De Beers has dominated for so long.


Dashiell Hammett: "gumshoe fantasies," a new biography of the pioneer crime author is reviewed below

Hammett, dammit . . .

BY ANTHONY CURTIS

Shadow Man: The Life of Dashiell Hammett
by Richard Layman. Junction Books. £9.95. 253 pages

As everyone knows Dashiell Hammett worked as an operative for Pinkerton's Detective Agency before achieving renown as the author of such classic mystery stories as *The Maltese Falcon* and *The Thin Man*. Other facts that have lodged in the mind about Hammett over the years are that he served his apprenticeship as a writer on the pulp magazine, Black Mask; that he lived with Lillian Hellman and cast an eye over her playscripts before they went off to the producer; that he was allegedly a Communist and served a jail sentence on account of his political persuasion. And last but not least, that together with Raymond Chandler (whom he only met once, at a Black Mask reunion dinner) he invented and perfected the "hard-boiled" gumshoe crime novel.

In trying to put flesh on these bare bones Richard Layman succeeds only patchily. He has had no help from Miss Hellman but he has not had any hindrance either. Disappointingly, he has not found many clews (Hammett's spelling) to what Hammett did when he worked as an operative for Pinkertons and he is sceptical about some of his claims. He has been luckier in his research on the files of Black Mask where he has exhumed a sizeable body of work by Hammett which he dutifully summarises. He is interesting, too, about the various Black Mask editors and their policies, and Hammett's progress from novice to star. Again he is good on the Knopf connection. It was Blanche Knopf who accepted Hammett's first full-length book and set him on a path that led him to a global readership and ultimately to Hollywood.

The private man remains a shadowy figure. Robbed of the education his fine mind deserved (he left school at 16 to supplement the family income) he turned to fantasies of double-dealing and violence; and applied to them Poe's principle of ratiocination. He was for most of his life a TB sufferer, a heavy smoker and drinker. When he first left hospital he married the nurse who had looked after him but abandoned her and their two daughters when literary success crooked a finger in his direction. He never remarried, but had lots of ladies apart from his soulmate Hellman. He somehow succeeded in spite of his age and dicky lungs, in enlisting in world war two; served in the Aleutian Islands where he edited a newspaper for servicemen and was known as Pop. He never recovered his form as a writer after the war but he was working on another novel, *Tulip* when he died in 1961. If he has any secrets still unrevealed they are probably safe

Alec Waugh

Alec Waugh, who died on Thursday at the age of 83, gave as his recreation in *Who's Who* "watching life go by." He was always a most urbane observer of it in the 50 or so books he published in his lifetime. He was famous before he was 20 with *The Loom of Youth* (1917) but recovered from this *succes de scandale* to settle down as a novelist and story-writer of steady output and loyal readership.

Travel to exotic places, fine wines, and cricket were the other consuming passions of a very complete man.

Head speaks

BY IAN DAVIDSON

The Public School Revolution: Britain's Independent Schools 1964-1979
by John Rae. Faber and Faber. £6.50. 188 pages

For most of my adult life people have been asking the question "What's wrong with Britain, why can't we keep up with our competitors?"; and I suppose the commonest stock response, invariably produced by left-wingers and American commentators, is to lay the blame on what is called the class system and more specifically on the divisive influence of the public schools.

Dr John Rae, headmaster of Westminster, is a disarming defender of the public—or more broadly defined, the independent—school system, because he freely admits that its critics have a good case:

"The schools may not create divisions in society but they help to perpetuate them; they may not deny to the state system actual resources —as Hattersley claimed—but they do deny to the state schools many of those parents who would be most likely to provide the impetus for improvement. There is a sense, therefore, in which the state schools and society as a whole would benefit from the abolition of the independent sector. But the case for allowing independent schools to exist is stronger . . . The question of principle involved is the freedom of individuals. . ."

The trouble with the stock response is that it takes insufficient account of the fact that the public schools have played a uniquely important role in the British educational system for a very long time. Their antiquity does not prove that they are virtuous, of course, and criticism of them is almost as antique as the schools themselves: as far back as 1540, Archbishop Cranmer argued that places at Canterbury Grammar School should be awarded on merit, whereas the school commissioners wanted places restricted to the sons of gentlemen—and Cranmer won.

Controversy about the class bias of the public school system continued, in the 18th and 19th centuries, as it does today. The problem, for those who want to blame the system for our national ills, is that it had been a dominant force in British education long before the onset of relative economic decline.

Having gracefully conceded a somewhat different charge against the independent schools —that they are divisive—and having rested his case on the principle of personal liberty, Dr Rae does not go into the deeper philosophical issues of whether the public schools are a Good Thing; there is a free market demand for them, and that is that.

His purpose is rather different: to chart on the one hand the political challenge which was directed against the independent schools by the Labour Party between 1964 and 1979, and to describe on the other how the independent schools responded both to the political challenge and to the youth movement of the late 1960s.

The political tale is a useful and readable resume of the Labour Party's periodic growlings at the public schools. What remains baffling to me, is why the party only barked and never bit. Why did they go comprehensive in a way that was bound to increase the divisiveness of the education system, by driving direct-grant schools into the private sector? Why did they not remove charitable status from the schools?

Dr Rae appears to believe that "no one could find a way of disentangling Eton and Winchester from the Royal National Lifeboat Institution and Dr Barnado's Homes," but I find this a bit hard to swallow. Why did they not stop paying boarding school allowances for soldiers' and diplomats' children?

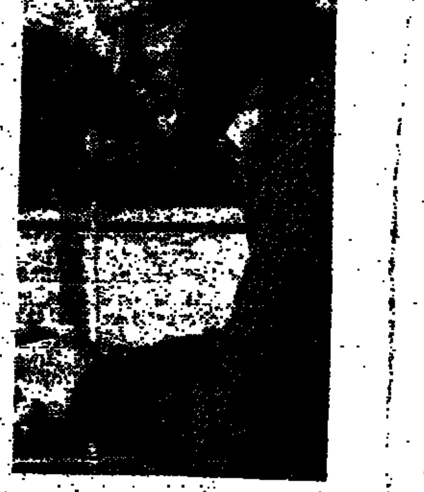
According to Dr Rae, 55,000 children were receiving help from public funds (Ministry of Defence, Foreign Office and local education authorities) in 1979, out of a total of 360,000 children at schools which belong to the Independent Schools Information Service. It all looks very half-hearted and hypocritical—but perhaps that will all change once Mr Anthony Wedgwood Benn is in the driving seat.

More entertaining, and to me more illuminating, are those parts of the book where Dr Rae writes from the inside about the schools themselves—the struggles to present a more united front to the political threat, the efforts to modernise systems of management, and a particularly sensitive account of the shock of the youth rebellion in the late 1960s, and of how the schools gradually liberalised their regimes. If I feel slight disapproval that in 1979 only one of the senior Queen's Scholars at Westminster took classics at A-level, that just shows that I am behind the times: the majority took science and maths.

There are two questions Dr Rae des not answer. Between 1966 and 1980, average fees at major boarding schools rose 542 per cent; at that rate, what will the boarding school market look like in 10 or even five years' time, even if Labour never returns to power?

Secondly, does he think it is good for children to be sent away to boarding school, given that they need to go at eight if they want to improve their chances of getting into a public school? Some schools, both preparatory and public, have started Eleven-plus entry schemes as a way of easing the financial pressure on parents, not as a way of easing the psychological stress on children.

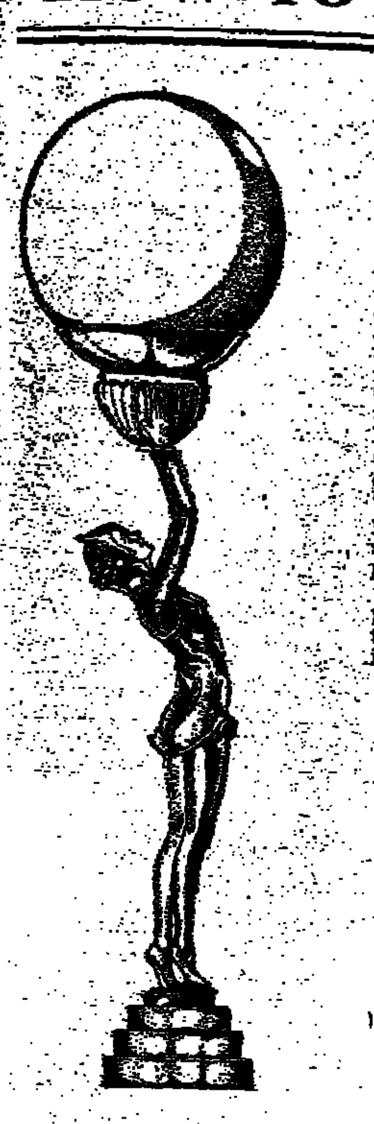
My own suspicion is that the primary charge against the public school system is not that it is socially divisive, plutocratic or class-ridden, but that it may be bad for children to be sent away from home too early. This is scarcely an avenue which Dr Rae would be likely to explore in print, of course, but it would be fascinating if the Labour Party were to frame its policy towards the public schools on the basis of the interests of the unfortunate children themselves.


Dr Rae: defending the system

HOW TO SPEND IT

by Lucia van der Post

Sources of light



LIGHTING has always been one of those neglected areas in most people's houses that is never given enough thought until it's too late. For a new house, too late, as we all discover the hard way, is almost as soon as the foundations are laid. If you're moving into an old house which you plan to convert you need to reconsider the lighting plans long before you start fiddling about with squares of fabric and wallpaper.

However, this week I'm not proposing to deal much with the real fundamentals of lighting — rewiring, the plotting of tracks, spotlights and sockets are much better left to architects and electrical engineers — but to look at the new trends in what might be called the more decorative area, the free-standing lights.

The basic news in the field is nothing but good — designers are becoming increasingly interested in bringing down prices, in providing low-energy, low-cost lighting, all wrapped up in exciting, avant-garde packages. The sort of improvised lighting that architectural students have played around with for years is now becoming slightly smartened up, put into commercial production and on sale to brighten up the rooms of those who have the wit to appreciate it.

One of the prime thinkers in this area is Shiu-Kay Kan, who came to this country as a child from Hong Kong. He's a young architect who wanted to use new technology for all sorts of reasons — partly because it excites him, partly because he felt it should be used to provide innovative, exciting designs and partly because he wanted to make this kind of design accessible to the sort of people who are receptive to it.

Until now most of the really beautiful, advanced lighting has come from Italy at prices that most of us could only gasp at — the famous Arco lamp, for instance, now sells at about £289, Castiglione's Taccia at £200 plus. In comparison, Shiu-Kay Kan's cheapest light sells at £4 (the Send Up), the Kite (possibly his most famous) is £12.50 and the newest, the Umberto, is £10. They are all of such devastating simplicity that it is almost impossible to illustrate them.

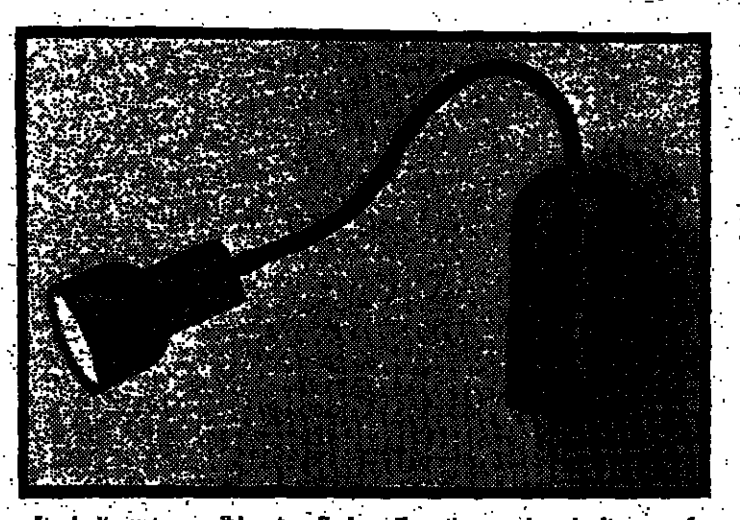
The most elegant is probably ECI SL 18 — a suspension lamp that gives both direct and reflected light and consists of two spun aluminium discs which act as glare buffers and reflectors. I'm also fond of the Send Up Range (also known as No Bother, No Hustle and No Trouble) — it's just what it sounds, a simple high-tech number of zinc-plated steel with a two metre black flex that hangs from the ceiling.

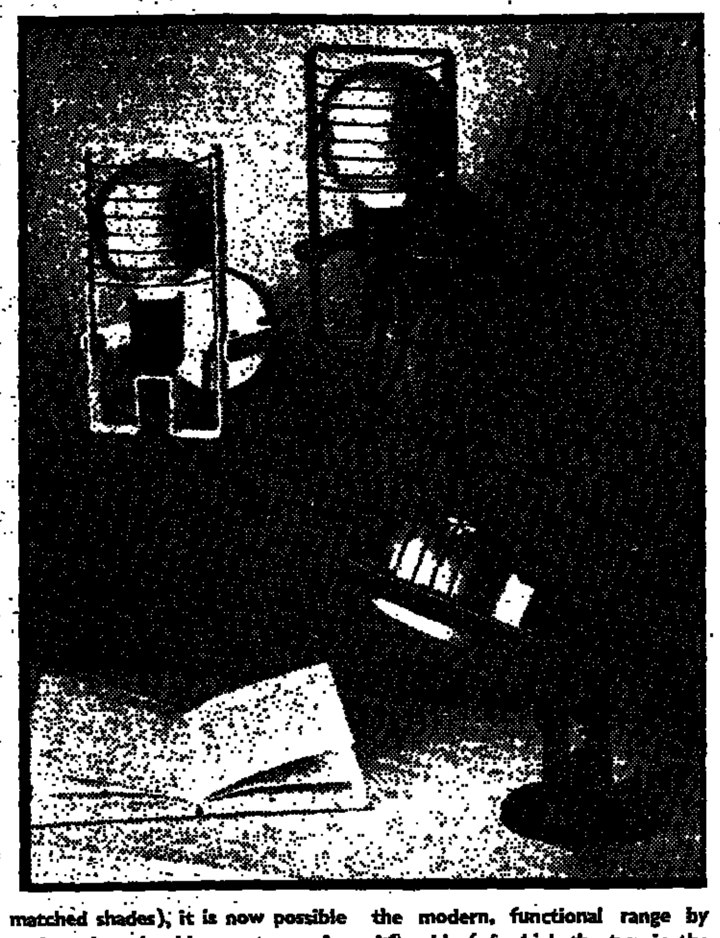
However, my favourite must be Umberto. Umberto is a simple square of bright sailcloth, made rather like a pillowcase (much the most spectacular of the colours is the fluorescent pink). Inside the fabric you put a low-energy bulb (the Philips SL18 which will not burn the fabric and which costs, with flex, an extra £8) and this then provides a lovely soft, diffused light. You can shape the sailcloth cover as you like, by hand, and put it wherever you like—on the floor, pinned against a wall, on a table—wherever you put it, it will be a source of visual pleasure.

Then there's a fibre-glass carrier bag (uses the same material as a fire-blanket) which houses a bulb which shines through the bag. The pendant fish light is made from white spinnaker cloth with an applique of fish scales and for the £16 it costs provides a very dramatic light source.

Anybody interested in Shiu-Kay Kan's designs can see them all at Liberty of Regent Street, London W1.

Anybody who has grown to have a fondness for Art Deco lighting and has looked at current prices in antique shops will know just how much the authentic versions cost. Christopher Wray has a good selection of Art Deco style lamps all made from newly-discovered original dies. I'm particularly fond of this Deco figure but besides this there is a very stylish Deco wall bracket light, a palmist hand (the cupped palm holds the light of opal satin), a Deco column and a Deco desk lamp. Prices start at £28 for the desk lamp and go up to about £78 for the Deco figure.





It isn't yet possible to find interesting, innovative lighting all over the country but at least in London the scope has expanded in recent years. For those who are interested in serious lighting the main sources in London are Aram Design, 3 Kean Street, London WC2 where exquisitely wrought, excitingly-shaped and very functional lighting from the top Italian designers can be seen. Then there's Environment of 179 Shaftesbury Avenue, London WC2, the lighting department of Liberty in Regent Street, W1, Conran of 144 Fulham Road, SW3, and the two specialist lighting shops, London Lighting and Mr Light.

For those who don't care for really modern lighting and just want a soft gentle light source that fits in with possibly more traditional interiors then it is worth knowing that Habitat sells not very expensive plain round ceramic table lamp bases with toning or matching shades. British Home Stores is always a good place to go in search of the inexpensive lighting bargain—and the store caters for both traditional and modern tastes.

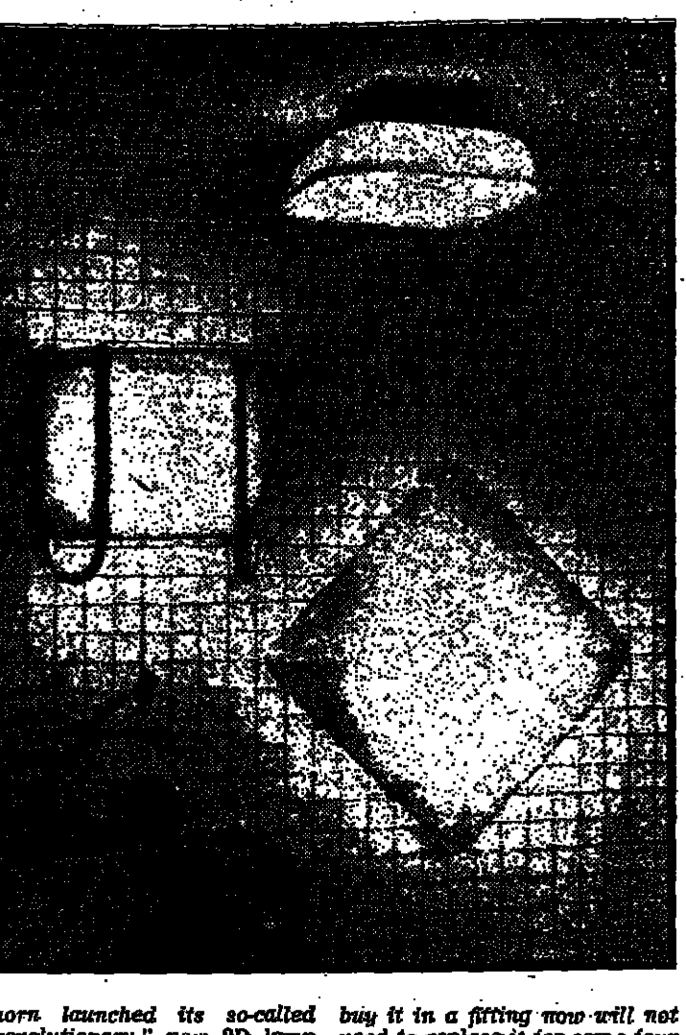
For those who love the rather elaborate and ornate look of the lights commonly seen in American home magazines and films (great paired table lamps with carefully matched shades), it is now possible to buy them in this country. An enterprising businessman has started importing them and Bentalls of Kingston upon Thames has recently opened a "Shop in Shop" specialising in American lighting. All come complete with suitable shades and all will give your home that authentic "Florida" touch.

Back to the functional lighting—in the pictures above are just two from the vast selection sold by Mr Light at the two shops at 275 Fulham Road, London, SW10 and 279 King's Road, London SW3.

Mr Light aims to offer a large range of lighting of all sorts, from the modern, functional range by Artemide (of which the two in the photographs are examples) to a special metal range called Metalarte from Spain.

In the picture left is Tholos—in shiny black plastic, with a fully flexible hose it can be used with either a high or low wattage (it works on a transformer) thus providing either high or low intensity light. It is £49.95.

Right is the Sintesi light, a fully adjustable wall bracket in lacquered metal. In red, black or white it is £34.95. Mr Light can post either for £3.50 extra.



Thorn launched its so-called "revolutionary" new 2D lamp in May of this year and though not yet quite on the market it is this week being offered to retailers at the Hardware Trades Fair and should be in the shops in a month or two.

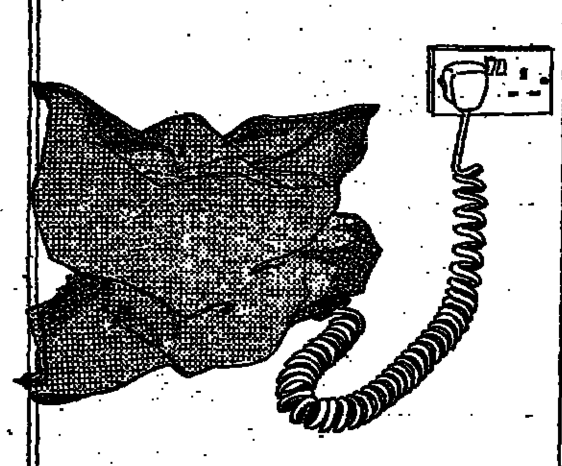
The lamp really does seem to offer some cheering news on the lighting front. First, the lamp saves quite a lot of energy—it uses only one-fifth of the energy used by the ordinary 100-watt bulb and in addition it lasts about five times longer (which accounts for Thorn being unable to give a price for the 2D lamp alone—those who buy it in a fitting now will not need to replace it for some four or five years). The lamp consists of two D-shaped fluorescent tubes which never become very hot—designers have consequently become excited at the new design possibilities opened up by both the shape and the low temperatures.

At the Hardware Trades Fair some four new fittings incorporating the 2D lamp will be on show—in the picture, above, we show three of them. As you can see, the designers, who come from Thorn's own design department, have produced three strikingly interesting, modern forms.

There is a ceiling lamp and two wall-mounted fittings. The "Pyramid" has a moulded polyester shade, while the wall-fitting, centre left, has a three-sided canvas shade on chromium-plated support arms.

Those who want to use a 2D lamp in their existing fittings (for, after all, nobody wants to replace all the lights they already own) will be able to buy the 2D lamp with an adaptor—all you then have to do is insert the special 2D adaptors into the normal socket on the existing light, clip the 2D lamp into place and switch on. This will be available shortly at about £15. For full details of availability contact Thorn Lighting, Commercial House, Lawrence Road, London N15 4EG.

P.S. For readers who may be confused about the matter, lamp refers to the bulb or light source and not, as is commonly thought, the fitting surrounding it.



Celia Baker

Shiu-Kay Kan's Umberto light

Christopher Wray's Lighting Emporium has become increasingly famous as it has grown and grown. From one small shop in the King's Road, at London's World's End, it has expanded until there are now three shops in the King's Road alone and other branches in Bristol, Leeds and Kilkenny, Southern Ireland.

Christopher Wray, as aficionados will already know, offers a wide range of what might best be called authentic reproductions. He offers nostalgia, the solid materials beloved of the bourgeois Victorians and Edwardians. He uses proper solid brass (never plated), intricate glass, authentic oil lamps and besides the complete lights he also offers all the fiddly small parts that nobody else can be bothered with.

Those who don't live near one of Christopher Wray's Emporia might like to know that he recently launched his largest, glossiest, most colourful catalogue so that everything can be mulled over at home. Those who later want to visit the showrooms personally might like to browse through the catalogue first.

In the sketch, above, is a polished brass stand with a large coolie shade (the first of the uplighters?). It adjusts to different heights, and with an option of different shades, prices start at £82.

For a catalogue, send £4.90 to Christopher Wray's Lighting Emporium, 600-606 King's Road, London, SW6.

Speeding to work in the kitchen

BY JULIE HAMILTON

I am sure you will be quite surprised when I tell you all the things I couldn't bear to be without in my kitchen; you won't believe how small the cooking area is and what I cram into it. It is not that I am lazy, but I simply love gadgets.

There are not enough hours in every day to cope with all that I have to do and my feet get very tired. So top of my list is my mobile chair. I sit on it while cooking and glide about the kitchen from oven to sink to larder, raising or lowering the height at the touch of a lever. It is called a Hag 2008* and has transformed my attitude to making Hollandaise sauce which always takes me what seems like hours of stirring.

Number two is my Aga cooker—it is exactly what the advertisements say it is, my best friend. In the winter I lean my aching back on it and love every moment of its warmth. A piece of top rib roasted in the top oven for hardly an hour (500F) tastes like sirloin. Those two items are essentials; the following are luxuries that have become essentials!

A food processor; I have had a Magimix for some time now. Its merits are obvious and it has one feature for which I am truly grateful, an automatic cut-out to prevent overheating, which is very necessary when making dough for bread or pasta. I had difficulty making mayonnaise to begin with, because adding the oil drop by drop meant the machine was running for a long time and therefore getting rather hot and causing separation occasionally. But I have discovered a fool-proof way of making mayonnaise in a matter of seconds. Using the plastic blade, break a whole egg into the bowl, add sugar, salt, pepper, a little lemon and mustard if you like, process for a few seconds then start adding the oil in a steady stream.

Within a few seconds you have fabulous mayonnaise; add a little cream and a herb of your choice and serve it as a sauce to freshly-made pasta. I have recently also tried out a new food processor, the Moulinex Multichef. It has two advantages over my Magimix. It has a whisk attachment which really means you do not need any other gadgets (unless you're an addict like me) and the funnel is quite a bit larger. It also costs less (about £50) and I can heartily recommend it.

Talking of pasta reminds me of my pasta machine (the Imperia)—it is beautiful to look at but doesn't actually make the dough, only rolls it out. For making the dough quickly and painlessly a food processor is marvellous.

I have the Moulinette Chopper, which is quite indispensable. It turns cornflakes into coating crumbs (far nicer than bread in my view) in one second; it chops garlic and parsley to a fine paste for combining with butter, or adding to sautéd mushrooms or potatoes, in two seconds; it chops nuts to a powder, or coarsely, as you wish; and it turns granulated sugar into icing sugar in seconds.

A vintage piece of equipment is my Sunbeam Mixmaster with two fine glass bowls. Without it there are many cakes I would not dare to attempt. With it I can make a cake, chop nuts, roll out pasta and make bread all at the same time. Mind you, the noise level in my kitchen with all the machines going is deafening.

I have a little electric hand whisk (Moulinex again) invaluable for meringues or whisking anything over boiling water. Of course I have a coffee grinder (two in fact), and a wonderful old Prestige potato peeler which I use to cut up large unpeeled potatoes and make them look like peeled baby new ones—ideal for cooking quickly in my wok or deep-frying in my Moulinex deep fryer. This fryer is a very superior one given to me by my elder son last Christmas because of his passion for chips. For something more exotic I take some puffed pastry, make an envelope and fill it with flaked smoked mackerel, a little horseradish, a squeeze of lemon and a nob of butter and deep fry. It is delicious.

The only drawback to the fryer is that it is almost impossible to find replacement filters in the shops so you have to send off to Moulinex headquarters for them which takes time and is a bore.

My sausage making machine, which in fact is an electric mincer with assorted attachments (Charlotte 3 Moulinex) I could not be without, as, apart from making sausages, the mincing of meat for paté and such things, is far more satisfactory with this machine than the food processors, which I find do not handle raw meat very well.

Right now my Pifco yoghurt maker is working overtime. It takes up quite a lot of surface while, like magic, it produces over three pints of wonderful creamy yoghurt and it is silent. I love it.

On my wall, burning my face from time to time, is a Cannon foldaway spit roasting grill—very useful when my Aga goes out. It also enables the cooking of kebabs indoors.

Cubes of huss (dogfish) marinated in olive oil and lemon with a little soy sauce, salt, pepper, a little sugar and crushed coriander alternated with mushrooms on the skewers and basted with the marinade make a rather special kebab.

After all this you may be surprised to learn that my kitchen measures roughly 12 feet by 10 feet. You may also be surprised to note that I do not have a dishwasher. But, where, after all, would I put it?

*Obtainable from The Back Care Chair Company, Shalley's Chailey, Sussex.

CONTRACTS AND TENDERS

ARTS

Battling in France—and Australia

BY B. A. YOUNG

To illustrate what I was saying last week about the different forms that radio drama can take, consider two productions from the past week, Christopher Douglas's *The Englishman Abroad* (Radio 4 last Saturday) and David Jones's *In Parenthesis* (Radio 3 the next day).

Christopher Douglas's play is what I called a decorated documentary. It's about the body-line bowling controversy in the Australian Test tour in 1932-3 — and as another Test tour ends with the Ashes safely in our keeping and never a hard word between the teams, a good time for that unsavoury business to have an airing. Mr Douglas has personified all the leading characters, Douglas Jardine, Plum Warner, Harold Larwood, Gubby Allen and the rest. (Even King George V.) Jardine is no longer with us, or I fear he'd have been on the telephone to his lawyer in a minute, so uncharming does he appear; and lest this may seem just sports-writer's commentary, Mr Douglas is in fact currently working on a biography of him.

To remind younger readers, Jardine, our captain, was determined to bring back the Ashes by fair means or foul—foul, as most of us thought, being fast leg-theory bowling, which he thought Bradman (73 last week) was scared of. His prime exponent was Harold Larwood, a reluctant exponent, but one who rightly did what his captain said. If he'd been an amateur, things might have been different. Gubby Allen warned Jardine he wouldn't do it. "Don't worry about it," Jardine told him; and added, "You won't be playing in any of the Test Matches anyway."

All this is presented in good straightforward speech, posh for the amateurs (Michael Cochrane as Jardine, Robert Lang as P. F. Warner), Midland for the pros (Michael Kitchin as Larwood). Action is shown in a Gaumont-British News parody spoken by the author in a light-hearted reminiscence of that terribly correct speech with the awful jokes. No extraneous romance or comedy; the play consists of the facts it reports, though they are necessarily reported via invented dialogue.

And yes, we won the Ashes. I hope Jardine ("I loathe this country. I hate these people") felt proud of himself.

In Parenthesis, adapted and directed by Douglas Cleverdon from David Jones's book is also a report of facts, though the target is somewhat broader. It deals with six months in the front line in 1915-16, culminating in an attack on a heavily-defended wood. The author (who recorded a long introduction to the programme) called it "an experiment in writing," and Mr Cleverdon gave it a production of great elaboration. "Gave," because this was a revival of a 1955 production with the central character, John Ball, played by Richard Burton. A recording of a speech about the prowess of the Welsh soldier, made by Dylan Thomas in 1947, has been woven in.

John Ball is assisted by four narrators, one for action, one for thought and two for memory. Private Ball's world, which is the author's, starts in barracks on embarkation day. His battalion, the London Welsh, goes into action almost as soon as they reach France, and there is some telling writing about the ghastly life of the trenches and about the friendships that spring up between the men who live it. But simple reporting is not the aim; Mr Jones is "trying to make a shape in words," and this means that even his descriptive writing of commonplace activities takes on a Cymric elaboration:

"There was a pulling-through of barrels and borrowing of small necessaries to do with this care of arms; then began prudent men to use their oil freely on bolt and backsight-flange; and harassed men and men ill-furnished complained bitterly" and so forth. Around such writing there is plain prose and basic dialogue, without the "impolite words" that Mr Jones says he would like to include; and there is inserted reference to classic writing about other men in history in like circumstances.

I found things to admire in Mr Jones's "shape of words"; yet I didn't feel the impact of the Western Front as sharply as in the simpler work of Wilfred Owen or Robert Graves or Siegfried Sassoon.

Thomas Allen

The Beggar's Opera

BY MAX LOPPERT

The Beggar's Opera, the wits of 1728 said, made Gay (the author) rich and Rich (the theatre manager) gay. One guesses that the most significant aim motivating a new Scottish Opera *Beggar's Opera*—unveiled at the Edinburgh Festival this week, thereafter to be taken on tour before being brought down to London for a short spell at the Dominion—has been thereby to make a company pinched by severe budgetary restraints both rich and gay. The show has been planned, by producer David William and above all by Guy Woolfenden, conductor and overseer of the new edition, as a big popular success, with all eyes on Tottenham Court Road and the kind of musical-loving audience who might be tempted thither by the promise of, among others things, Thomas Allen as MacHeath. At the second performance, on Thursday, Mr Allen was very fine, but the show itself was not—and the gap thus far disclosed between aim and actuality is troubling.

The celebrated ballad opera has been edited before, many times, in numerous and diverse ways. Up to a point, it is fair game. That point should be obvious and clear: tunes taken from popular and other sources should retain their innate simplicity, and charm of melody and placement; the action should move fleetly; and at least a whiff of Gay's energetic satires should be imparted even across the time gulf stretching between an 18th century author and a late 20th century audience. Mr Woolfenden's prime concern, a note in the official programme book tells us, has been to "let the music out." That, I submit, is exactly what he has not done. The *soi-disant* Mozart-sized orchestra, quite complex development of several of the original numbers (only a handful of the 69 dropped), and use of "singers who can act," rather than actors who can just passably sing, may have seemed the most equitable method of meeting both the demands of the original and the tastes of a "popular" audience. At this King's Theatre performance, neither, in the end, got a fair or satisfactory deal.

The orchestration (on which Stephen Hancock and Simon Dale also collaborated) is a kind of *Matinée musicale* brown sauce indiscriminately poured over the music. Objection to it, and to the compound of sub-Delian harmonies, added descants, jigging syncopations, and other enrichment and expansion devices lavished on a slender score, is not puritan or, indeed, purist; for what I came to mind so much was the way the music, and therefore the dramatic pace, seemed so often to clog up, and the way so few of the tunes were allowed to catch and hold the ear. In conjunction with the inability of most of the Scottish Opera "home team" cast to project the dialogue the way real actors would — with bite, flourish, and variety of nuance — the effect was to make heavy what should lightly glance, and sludgy what should flow. Act 3 seemed endless. It did so despite a generally nimble production, and particularly atmospheric, quick-changing sets by Michael Annals. *The Beggar's Opera*, here, seemed less a proto-musical than an historical sacred cow; and not all the added musical in-jokes (Handel quotes in particular) could make it otherwise.

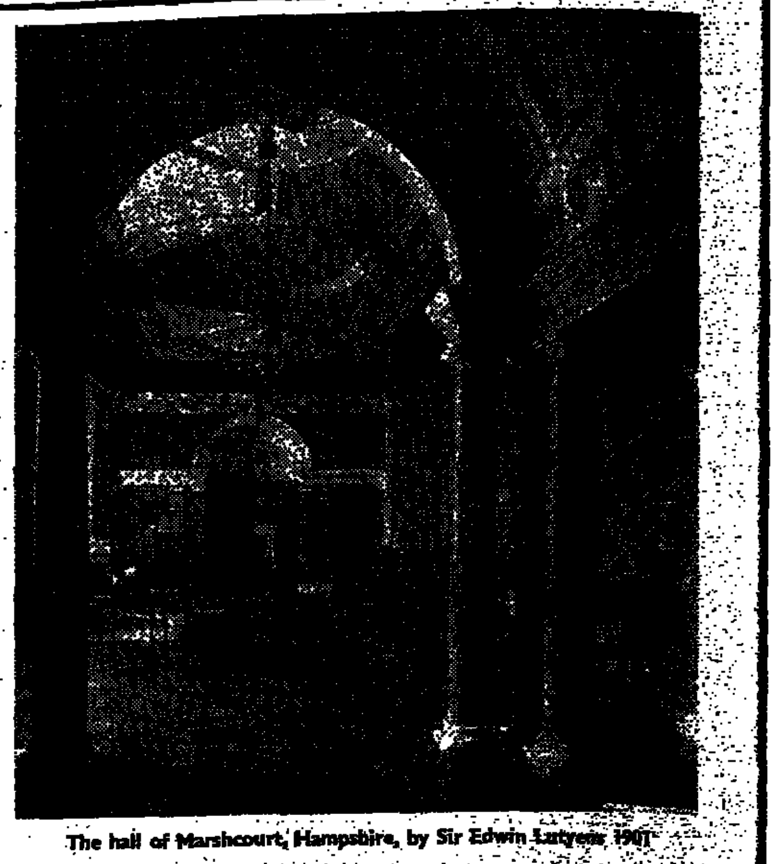
At least there was Mr Allen, who sounded in excellent voice, who looked in fine shape, and who bore himself with real (and mostly lonely) sense of period style—his attack upon the spoken dialogue (apart from a brief embarrassed patch in the long prison scene) almost as impressive as the unforced cultivation and tonal beauty of his singing. What a MacHeath he might make in a more intimately scored and directly conceived, a livelier production! Kate Flowers as Polly brought her familiarly lively and intelligent presence to bear, though a want of sweetness in her soprano robbed some of the most famous numbers of their due plaintive pleasure.

The role of Lucy, which in any case predicates, surely, a contrastingly darker vocal timbre and personality, lay with apparent discomfort on Patricia Hay, normally so adept a lyric actress; a surprise no less to find William McCue and Norma White, usually to be relied upon for large-spirited and communicative contributions, in relatively muted form as Peachum and Lockit. Many smaller opportunities went for little — not, though, Diana Trapes' scene, on which Una McLean lavished the gusto so sorely needed elsewhere.

Lutyens glut

I recently paid my first visit to Marshcourt in Hampshire, a house designed by Sir Edwin Lutyens near Stockbridge. It is now a school and as I was there on the day of the parents' cricket match it looked a very happy and organised prep school. But it was the house I wanted to see as part of the preparations for the forthcoming Lutyens Exhibition which the Arts Council are putting on at the Hayward Gallery after the Picasso show.

Marshcourt reminded me at once that Sir Edwin Lutyens (1869-1944) was a genius. This house was built in 1901 for a rich and rumbustious stockbroker who wanted a home near the fishing and a place to relax and entertain in the Indian summer of Edwardian England. One of Lutyens's great gifts was to see exactly what his clients wanted and give them a bit more. Marshcourt is built on the chalky hills of the hard part of the chalk known as clunch. It looks from the outside like a whitened version of Haddon Hall with elegant trimmings of flint and brick. It is the garden front that shows off the whole repertoire of Lutyens's skills, a kind of Tudor/Italianate palazzo built of chalk and linked to the land by a remarkable and beautiful series of gardens and balustrades. Inside the house is equally rich—close to the Jacobean classicism of somewhere like Hatfield but infinitely more complex. In the hall he plays games with the arrangement of columns and arches like giant Venetian windows, all topped by swags of plasterwork in the manner of Gibbons.



The hall of Marshcourt, Hampshire, by Sir Edwin Lutyens 1901

At the Hayward Gallery from November 18 until January 31 Lutyens's great houses will be shown with his work in New Delhi, his collaboration with the gardener Gertrude Jekyll will be explored and his skill as a designer of furniture and interiors. It is difficult to transform the Hayward Gallery into a world designed by Lutyens but the spirit of this remarkable English architect will fill the building from his designs for the Queen's Dolls House to the unbuilt splendour of Liverpool's Catholic cathedral.

COLIN AMERY

On the Spot

BY ANTONY THORNCROFT

Exhuming the plays of Edgar Wallace has become something of a house speciality at the Churchill Theatre, Bromley. *The case of the frightened lady* was recently dug up, and now *On the Spot*, perhaps Wallace's most celebrated dramatic work —written, typically, in four days as a vehicle for Charles Laughton in 1930—is exposed to modern view.

If you relax and take the characters as theatrical curiosities, as remote from contemporary life as Restoration fops or Victorian villains, you might enjoy the evening. If you expect a crime thriller in the realistic manner perfected by television and the cinema you will be very uncomfortable.

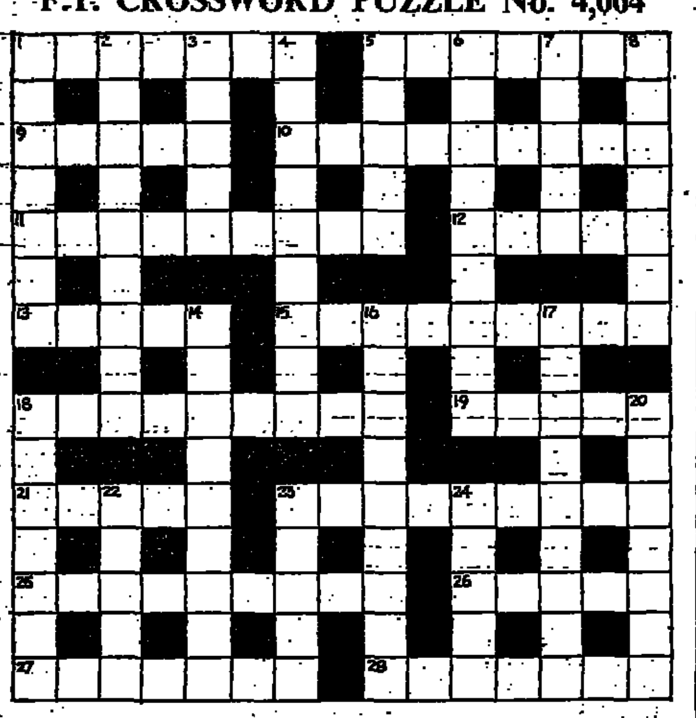
Fortunately the extravagant set designed by Roger Beck helps create a stylised, not to say crystallised, mood. It is the penthouse apartment of Tony Perelli (played by Alan Lake), a Chicago mobster, and is as fanciful an art deco dream as any TV commercial maker could devise. The only bizarre touch is an organ on which Perelli plays funereal music while the corpses he has created slide into oblivion.

Perelli is very nasty indeed. While not putting fellow gangsters "on the spot," the over worked phrase for murdering them, he is using the faces of his gang as ash trays and beating up his moll, Minn Lee (Jacqui Chan). He is, of course, much loved by women and the casual immorality of the girls involved comes as a surprise in a play of this vintage. There are not many other surprises, and the plot tends to be put over in a pedestrian manner.

On the Spot is mainly interesting as a period piece. There need be nothing wrong with that. Priestley's *Dangerous Corner* is doing well at the Ambassadors with a similar appeal. But there the cast act it straight and with bravura. The playing at the Churchill is a bit foot-shuffling. Some of the script might be frightful tosh but played up it could be fascinating theatre.

Alan Lake gives a lead, portraying Perelli as the psychopath he undoubtedly is, and lapsing into a heavy Italian accent when put under stress. Since he has the most incompetent gang since Lord Snooty, one bursting into tears quite easily and forgetting to think of an alibi for his killing time, the other casually carrying the murder weapon in his pocket when the inspector calls, much often stressed.

F.T. CROSSWORD PUZZLE No. 4,664



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

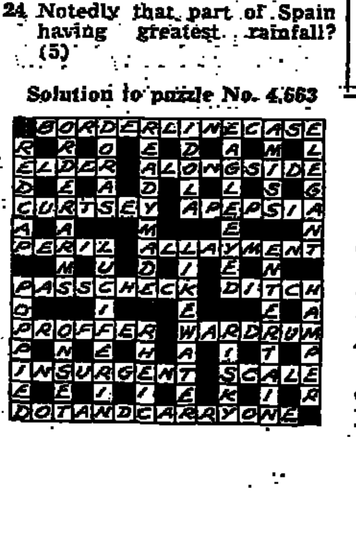
ACROSS

1 Gestapo disguised cost of conveyance of messages (7)
5 Beg for top of bread and cheese-spread (7)
9 Commonly a great many in spectacle (5)
10 False handle dumpy one's employed (9)
11 Sporting event for light blues only? (5-4)
12 Was it re-shaped by Banting? (5)
13 Stroke to leg some consider lucky (5)
15 Not a practical speculator (9)
18 At home, she is at the top of the tree (9)
19 Noodle frequently found in outer parts of Surrey (5)
21 Dead tale unfolded of the river-mouth (5)
23 Army signalling method? (9)
25 Housemaster behind bars? (9)
26 Prize, one with room for improvement (5)
27 Girl one, possibly, of Shakespearean tragedy (7)
28 Source of oil for batsmen in Leeds, perhaps (7)

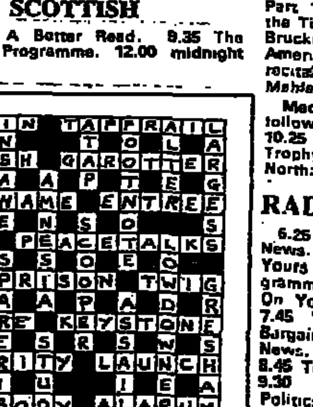
DOWN

1 Firm split peas made tender in Spain (7)
2 But don't expect it to have a cube root! (5-4)
3 A longing for Mahler's third (5)
4 S.Templar in trouble needs energy to smooth over (9)
5 Note rail vigil (5)
6 Where private patients lie laterally? (9)
7 This boredom is a bit of a rotten nuisance (5)
8 Cheeky mill-worker kept in captivity (7)
14 Soldier to the queen in fighting-ship (9)
16 Help a mere development —it won't last long (9)
17 County losing last pair get a hundred before tea-break but fail to inspire (9)
18 Many supplementing Hardy's sort of crowd (7)
20 Dee, idly flowing, gave way under pressure (7)
22 Get a red and fifty-nine break (5)
23 Pleas for restoration of part of plant (5)
24 Notedly that part of Spain having greatest rainfall? (5)

Solution to puzzle No. 4,663



Solution and winners of puzzle No. 4,659



Mrs W. Beswick, 18, Boclair Crescent, Bearsden, Glasgow G61 ZAG.

L. S. Findlay, 29, Clarence House, 17, Clarence Road North, Weston-Super-Mare, Avon BS23 4AS.

Miss V. J. Harrison, 40, Old Court House, Old Court Place, London W8 4PD.

TV/Radio

† Indicates programmes in black and white.

BBC 1

8.05-8.30 am Open University (Ultra High Frequency only). 9.00 Play Golf 6: Bunkers. 9.25 Battle of the Planets. 9.45 Sports Allrounder of the Year. 10.12 Weather. 10.15 Grandstand: Cricket (10.25, 1.25, 2.25, 3.25) NatWest Bank Trophy Final, Derbyshire v Northamptonshire; Football Focus (12.50); Racing from Haydock (2.05, 3.05, 3.35); 3.50 Half-time football scores. Athletics (3.55) The Third IAAF World Cup; 4.35 Final Score, including classified check and pools news.
5.10 Kung Fu.
6.00 News.
6.10 Sport/Regional News.
6.15 Larry Grayson's Generation Game.
7.10 Juliet Bravo.
8.00 Summertime Special
8.45 Flamingo Road.
9.35 News and Sport.
9.50 Match of the Day.
10.50 My Kind of Music.
11.20 "Little Fauss and Big Halsy" starring Robert Redford.

Cymru/Wales — 6.10-6.15 pm Sports News Wales.

Scotland—†9.45-10.10 am Phil Silvers as Sargeant Bilko. 4.55-5.10 pm Scoreboard. 6.10-6.15 Soreboard. 9.50-10.50 Sportscene from Scotland. 12.55 am News and Weather for Scotland.

Northern Ireland—5.00-5.10 pm Scoreboard. 6.10-6.15 Northern Ireland News and Sport. 12.55 am News and Weather for Northern Ireland.

England—6.10-6.15 pm (South-West only) Saturday Spotlight.

BBC 2

7.40 am-1.55 pm Open University.
2.50 Saturday Cinema: "Romanoff and Juliet" starring Peter Ustinov.
4.30 Cricket and Athletics.
7.30 Prendiville's Finest Innings.
8.00 News and Sport.
8.15 Fashanu.
8.45 Life on the Shelf.
9.50 Alec Guinness in "Tinker, Tailor, Soldier, Spy."
10.40 News on 2.
10.50 Cricket: The NatWest Bank Trophy Final.
11.20 "Top Dog."

LONDON

8.35 am Sesame Street. 9.35 Joe 90. 10.00 Clapperboard. 10.30 Tiswas.
12.30 pm World of Sport: 12.35 On the Ball; 1.00 Drag Racing; 1.15 News; 1.20 The ITV Six from Kempton and Thirsk; 2.55 Golf —The European Open Championship, from Hoylake, plus Water Skiing—The World Championships, from Thorpe Park, Surrey; 3.45 Half-time Soccer Round-up; 4.00 Golf—The European Open Championship; 4.50 Results.
5.05 Metal Mickey.
5.35 News.
5.40 The Pyramid Game.
6.10 Chips.
7.00 Punchlines.
7.35 Take a Letter Mr Jones.
8.05 Vegas.
9.00 News.
9.15 "Obsession" starring Cliff Robertson.
11.00 International Sports Special: Athletics, Speedway, Golf.
12.00 Police Surgeon.
12.35 am Close: Personal Choice with Terry Duffy.

All IBA Regions as London except at the following times:—

ANGLIA

9.00 am Sesame Street. 10.00 Clapperboard. 12.00 The Amazing Years of Cinema. 12.30 am At The End of the Day.

ATV

9.10 am A Better Read. 9.35 The Television Programme.

BORDER

7.10 am A Better Read. 9.35 The Television Programme. 8.05 pm Hagen.

CHANNEL

12.00 midnight Police Surgeon. 12.25 am Weather.

GRAMPIAN

9.10 am Joe 90. 9.35 Cuir Car. 6.10 pm The Incredible Hulk followed by Highlands League Results. 8.05 Hawaii Five-O. 12.00 Reflections.

GRANADA

9.35 am The Television Programme. 6.10 pm The Incredible Hulk. 8.05 The Streets of San Francisco. 12.00 Hammer House of Horror.

HTV

9.10 am The Television Programme. 9.35 The Further Adventures of Oliver Twist. 12.28 pm HTV News. 5.39 HTV News. 8.05 Hawaii Five-O.

HTV CYMRU/WALES—As HTV West except: 5.05-5.36 pm Sion a' Sian.

SCOTTISH

9.10 am A Better Read. 9.35 The Television Programme. 12.00 midnight Late Call.

SOUTHERN

9.00 am Sesame Street. 6.10 pm The Incredible Hulk. 12.00 Southern News. 12.05 am Paris by Night.

TYNE TEES

9.00 am Cartoon Time. 9.40 Thunderbirds. 5.40 pm North East News. 12.00 Demis Roussos—a Phenomenon. 12.30 am Three's Company.

ULSTER

1.18 pm Lunchtime News. 5.00 Sports Results. 5.38 Ulster News. 6.10 Chopper Squad. 8.05 The Incredible Hulk. 9.14 Ulster Weather. 12.00 Bedtime.

WESTWARD

9.25 am Look and See. 9.30 Stingray. 9.55 Gus Honeybun's Birthdays. 12.27 pm Westward News. 8.57 Westward News. 12.00 Police Surgeon. 12.25 Faith for Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am A Better Read. 9.25 Cartoon Time. 9.35 Sha Na Na. 12.00 Midnight Peterborough Festival of Country Music: John Kelvin Henderson, Peter Sayers and other country music artists.

RADIO 1

(s) Stereophonic broadcast
† Medium wave

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn whw wwwJwwwn 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 1.00 pm 25 Years of Rock (s). 2.00 A King in New York (s). 2.05 Star Wars (s). 2.30 Paul Gambaccini (s). 4.00 Peels' Pleasures (s). 5.00 Rock On (s). 6.30-7.30 In Concert (s).

RADIO 2

5.00 am Tony Brandon with The Saturday Early Show (S). 8.04 David Jacobs presents Star Sounds (S). 10.00 Peter Murray's Open House (S). 12.00 Two's Best (S). 1.00 pm Punch Line. 1.30-7.00 Sport on 2: Football: Second-half commentary (at 3.50) on a top game of the day: score flashes and news from other matches; Golf: Dixcel Tissues European Open at Hoylake; Cricket: The NatWest Final from Lord's; Athletics: World Cup from Rome; Swimming: European Championships from Split, Yugoslavia; Haydock Racing at 2.45; 3.15 Morecambe Handicap and 3.45; 5.00 Classified Football Results; 5.45 Classified Racing Results; 5.50 Latecomer's Football Check. 7.00 Three in a Row. 7.30 Cricket Desk. 7.33 Big Band Special (S). 8.00 Sing For Your Supper (S). 9.15 British Open Brass Band Championship (S). 10.00 Hilversum Greets Radio 2 (S). 11.02 Sports Desk. 11.10 Peter Marshall's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 Landini Consort (S). 2.00 Tippett and Elgar (S). 4.10 The Polignac Salon (S). 5.00 Jazz Record Requests (S). 5.45 Widor Symphonies (S). 6.30 Beethoven Quartets (S). 7.30 Proms 81 (S). Part 1: Bartok. 8.15 The Sinking of the Titanic. 8.35 Proms 81 (S). Part 2: Bruckner. 9.50 The Festival Scene in America. 10.10 Turina and Bax piano recital (S). 11.00 News. 11.05-11.15 Mahler (S).

Medium Wave—with VHF except as follows: 10.15-10.25 am Interlude. 10.25 am-7.30 pm Cricket: The NatWest Trophy Final at Lord's, Derbyshire v Northants, including 1.00 News.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; Programme News. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; Programme News. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Breakaway. 9.30 News Stand. 10.05 Talking Politics. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Instant Sunshine and . . . (S). 12.27 I'm Sorry, I Haven't a Clue (S). 12.55 Weather; Programme News. 1.00 News. 1.10 With Great Pleasure (S). 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Thirty-minute Theatre (S). 3.00 Medicine Now. 3.30 Enquire Within (S). 3.40 Novels up to Now. 4.10 Profile. 4.30 Does He Take Sugar? 5.00 Sporrans on the Behind. 5.25 Injury Time (S). 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News. 6.15 Desert Island Discs (S). 6.55 Stop the Week Again with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 When Morning Gilds the Skies (S). 11.00 Lighten our Darkness. 11.15 New Voices. 11.45 Ray Gosling visits Prestbury in Cheshire. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.30 News. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 Bob Powel's London Country. 10.00 News. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Breakthrough. 4.00-5.00 am Join Radio 2.

London Broadcasting

7.00 am AM—Dave Loyn and Magnus Carter. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch (includes coverage of the Nat. West Trophy Final at Lords). 6.00 LBC Reports. 7.00 Gest Mala. 8.00 LBC Special: "Race." 9.00 The London Interview. 10.00 Therese Birch—Nightline. 1.00 am Night Extra—Steve Allen. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

Capital Radio

7.00 am The Breakfast Show. 9.00 Countdown with Peter Young. 12.00 Dave Cash's Cash Country. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Greg Edwards's Soul Spectrum. 8.00 Summer in the City. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special.

TV RATINGS w/e Aug. 29

U.S. TOP TEN (Nielsen ratings)

1	MASH (CBS)	24.0
2	Diff'rent Strokes (NBC)	21.9
3	Hart to Hart (ABC)	21.8
4	Jeffersons (CBS)	21.3
5	Three's Company (ABC)	21.2
6	Too Close for Comfort (ABC)	21.1
7	Facts of Life (NBC)	20.9
8	House Calls (CBS)	20.4
9	Dukes of Hazzard (CBS)	20.3
10	Alice (CBS)	19.8
10	Trapper John MD (CBS)	19.8
10	Quincy MDE (NBC)	19.8

Restaurant plan saves steamer

THE paddle steamer Tattershall Castle has been kept afloat alongside London's Victoria Embankment thanks to a £500,000 investment by Chef & Brewer.

After renovation the company plans to operate the vessel as a restaurant, with bars and an art gallery.

CHESS SOLUTIONS

Solutions to Position No. 387

1 R-K8 ch! NxR; 2 N-Q7 ch, K-N1; 3 N-K7 ch, K-R2; 4 N-B8 mate.

Solution to Problem No. 387

1 N-Q4 (waiting), KxB; 2 R-Q1, or if BPxB; 2 Q-N4, or if P-B6; 2 N-N3, or if KPxB; 2 Q-B4, or if P-K6; 2 N-B3.

COLLECTING

Testament to spiralling prices

BY JUNE FIELD

A GLIMPSE back-stage into the rarified atmospehere of a top London art gallery is a privileged occasion—particularly in an art market dominated by inflation. In 1967 no work of art had ever sold for more than £1m. In today's spiral of prices several millions are now becoming almost commonplace.

In a world where over the last decade bids and sales of sought-after paintings can be made in leaps of 50,000-guineas a time, competition for goods, whether with auctioneers or dealers, has been intense, "sometimes even vicious," admits Mr Julian Agnew, in a revealing book A Dealer's Record: Agnew's 1967-1981, just published by Barrie and Jenkins.

Mr Agnew, sixth generation of a Forsyte-like family business founded in 1817 through the partnership of Thomas Agnew with Sr Vittore Zanetti in Manchester, has some pertinent comments to make on the new characters that the doctrine of art as an investment has brought into the art market: "The collector dealer, in fact neither one nor the other, who as one commentator put it, 'buys noisily but sells quietly'; the pension fund seeking to protect its future beneficiaries by diversifying the investment of its huge cash-flow; the street-market stallholder who can sell almost any junk on the basis that it is old and therefore precious."

In this handsome visual record of the major works that have passed through Agnew's hands over the last 14 years, Mr Agnew also discusses the effect on the market of the Los Angeles museums, such as what he calls "the giant but still slumbering Getty Museum" in Malibu. To the nucleus of a collection left to it by Paul Getty, which includes the Van Dyck portrait *Agosto Pallavicini*, Agnew's have added the *Portrait of a Man*, attributed by some to Francia, but by others to Raphael himself; and the maginficent Gentile de Fabriano *Coronation of the Virgin*, one of the few remaining privately owned paintings by a major 15th century Italian artists, and until 1835 when the Reverend John Sanford bought it in Florence, in Gentile's home town of Fabriano. (Getty died in 1975, leaving the bulk of his 21.5 per cent of his oil empire, said to be approximately 4m shares valued at $754m in 1976, to the Museum.)

Although the book is a testament to a family business, it is a pity that some of its personal history, so well documented in *Agnew's 1817-1967*, privately printed in 1967, is not re-recorded, however briefly.

The new book is not as explicit a dealer's record as it might be. The captions to the excellently reproduced illustrations contain no dating (of the artist or the work), and very little summary of *provenance*. Viewed as a retrospective exhibition and a commemorative survey, as the dust jacket suggests it should be, these are historical facts that would usually be in any exhibition catalogue. However, the various art-historian's essays which complement the eight masterworks compensate a certain amount for the ommissions. All the dissertations are eminently readable, combining scholarly appraisal with the reportage of human incident.

Alan Braham, Keeper at London's National Gallery, quotes the comments by Antonio Palomino in the early 18th century on the little be-ribboned dog at the feet of the sitter in Murillo's *Don Justino de Neve*—"an English lap-dog (*una pepilla inglese*—a pug?), so life-like in appearance that it set real dogs snarling and barking."

And Hugh Brigstoke, Keeper at the National Gallery of Scotland, tells the story of Verocchio's *Ruskin Madonna*, for which Ruskin paid £100 in 1877. He traces its rescue and restoration, attribution arguments and so on over the last century, remarking that it seems strangely paradoxical "that the picture now in Edinburgh, universally acknowledged as a masterpiece of the Florentine Renaissance, should even today be saved from anonymity only by virtue of its association with the name of the eminent collector and critic who rescued it from almost certain destruction and total oblivion just over one hundred years ago."

Provenance is well to the fore in the account of Joan Sutherland Boggs, Director of the Philadelphia Museum of Art, of the buying of Hans Baldung Grün's seductive *Eve, the Serpent of Death* for the National Gallery of Canada, Ottawa, in 1972. Sold at Christie's in 1875 as a Lucas Cranach, its ownership is traced from an estate agent of the Duke of Devonshire to his descendant, an Edinburgh schoolmistress. Sotheby's re-attributed it and sold it to Agnews in 1969 for £224,000.

Not all the work featured comes in the *Old Master* category of course. There are several Burne-Jones's, a couple of Sickerts, and one field which has shown great increase in popularity—that of the Camden Town Group, formed in 1911 with 16 members, with Sickert inveting the name. As Julian Agnew observes: "While as yet this school does not have an international reputation, it has definitely found a place in the heart of many British private collectors." Sickert has long been an Agnew favourite, but Harold Gilman (1876-1919), represented by *A Girl with a Teacup*, Spencer Frederick Gore (1878-1914) and Robert Polhill Bevan are comparative newcomers.

Quoted prices of course are thin on the ground. Although one can read the almost daily from the art sales reports, generally attached to the name of the buyer as well as the seller or refer to them in the numerous price guides and indexes, art dealers have understandably, always shuddered at their disclosure. Discretion is all in the art world, and the recent issue of the Algardi Bust, in which Agnew's won their case, is a particular object-lesson.

Fully documented, however, is the exciting tale of the 1970 sale of Valasquez's portrait of *Juan de Pareja* at Christie's. Sir Geoffrey Agnew (father of Julian, and son of Gerald Agnew), gives a dramatic step-by-step account of the bidding that began at 300,000 guineas, through to their last bid of 2,100,000, topped by Wilderstein's 2,200,000, all in a matter of 130 seconds. As he records, it was the one that got away.

● *A Dealer's Record—Agnew's 1967-1981* (Barrie and Jenkins), can be bought through Mr William Joll, Thos: Agnew and Sons, 43 Old Bond Street, ondon W.1. for £25 plus £1.50 postage, or together with the earlier publication, £30 for the two books plus £3 postage.

Detail from "A Morning at Tattersalls," by Camden Town Group painter Robert Bevan, in the Paul Mellon collection, featured in A Dealer's Record: Agnew's 1967-1981 published this week by Barrie and Jenkins under the Hutchinson imprint, for £25

ALTERNATIVE INVESTMENT

VALERIE MOLIN

MAPS ARE taking on a whole new dimension. No longer does the word instantly conjure up thoughts of a frayed piece of paper stuffed in the glove compartment or kept in the attic. In the past 10 years a growing number of people have been displaying maps on walls to admire their beauty or rarity.

Map collecting has caught on throughout the world. And so, too, has the idea that a map can make an excellent investment providing, of course, you known what you are doing. Caution must be exercised when it comes to buying maps for investment. Mr Simon Pointer of "The Map House," a long-established London dealer warns buyers: "One has to be sensible in this market because there are no guaranteed returns."

The lack of a guaranteed return has not proved to be much of a deterrent to new investors. Says Mr Jock Smith, head of the books, maps and atlases department at Phillips auction house in London: "Map collecting is growing all the time." The market really began to take off in the mid-1970s when the Opec-induced economic crisis resulted in a move away from the more traditional forms of investment.

Mr Sedley Wells, head of the map department at Sotheby's in London estimates that the value of some maps by such noted 17th century cartographers as John Speed of Britain or Willem Blaeu of The Netherlands increased by as much as five times during the late 1970s and today such maps could fetch several hundred pounds at auction.

Prices for atlases from the same period have also showed strong gains and should continue to do so, according to Mr Smith. "Judging from past performance a Speed atlas which today would go for around £12,000 could double in five years."

Early atlases, however, are becoming quite rare because their contents are increasingly being broken up and sold separately. Indeed most individual maps sold today come from atlases.

Unlike Mr Pointer, who says he is not actively pushing maps as an investment because of the risks, Mr Smith feels there is plenty of scope in the market as long as an investor buys the right kind of map. And just what is the right kind of map? Mr Smith advises: "It has to be the right cartographer, the right place and right quality."

As far as the right cartographer is concerned he claims that a collector "can't go wrong with a Speed or a Blaeu." With regard to place Mr Smith recommends maps of the U.S. or Canada, especially early 18th century ones. Maps of West Germany and Switzerland are also strong sellers according to Mr Smith.

But maps of Eastern Europe and other Communist countries are "dead," he says. The market for maps of Britain, France and Italy is also weak.

Most buyers tend to choose maps of their own countries and the economic strength, or indeed, weakness, of each country is reflected in the market for its maps. Hence the current slump in British and French maps. While maps of North America are still the strongest, Mr Wells points out a marked trend toward higher prices for maps of Australia and New Zealand, countries which are also quite young by European standards.

The condition of a map is also a very important consideration when buying for investment. One in perfect condition tends to be worth much more than one in a poor state. When judging the condition of a map Mr Smith offers several pointers.

First check to see whether the map is in its original uncoloured state. Some are painted years later and are not as valuable. In addition the map should have good margins.

Another factor is the age of a map. Mr Smith recommends choosing maps from the 17th century or earlier if possible. The rarer the map, the more valuable it could be. For example, the first map of what is now the American State of Virginia, made in 1596, is currently worth roughly £1,600, and the first map showing the State of California as an island, dated 1625, is valued at £1,300. On the other hand Mr Smith cautions against buying 19th-century maps. "I don't think they are going to go up because there are plenty around."

But what is perhaps even more important is to choose one that appeals to the individual collector. Mr Pointer says: "You've got to like the map; if it appreciates that is a bonus."

Like just about every other collectitng field, demand and supply largely determine the price of a map. In addition, prices vary tremendously even for the same cartographer. For example, a map of France by the 16th-century Dutch cartographer, Abraham Ortelius, is valued at around £40 today while a map of the world by the same man would cost more than £2,000 even though they are the same size and the same quality. Mr Pointer explains why: "There is far greater demand for maps of the world than for maps of France."

CHESS

LEONARD BARDEN

WHILE chess veterans made the news last week, the most recent tournaments have featured encouraging successes for Britain's younger players. At the world youth (under-26) team championship in Graz, Austria, England won the silver medals close behind the USSR. It was the third time this event has been staged, but despite increasingly tough competition (a record entry of 34 teams) results show a remarkably uniform pattern. England won in 1978, nudging out the Russians and causing an anguished inquest in Moscow; while the USSR won comfortably in 1980, with England a distant second.

The latest performance was an exceptional one by our players and a great advance on last year. The difference between the teams can be reduced to one young man—Kasparov scored 9 out of 10 on top board for the Russians. But on boards 2, 3 and 4 the Soviet stars Psachis (reigning USSR men's champion), Yusopov and Dolmatov were all beaten for the individual board prizes by England's Mestel, Plaskitt and Davies.

Another outstanding British success came in the world under-16 championship in Cordoba, Argentina, where Stuart Conquest maintained our fine record in this event (we have done better even than the Russians) by taking the gold medal.

It required a major financial effort for the young Hastings champion and his coach, IM Kottnauer, even to travel to Argentina. Although official British international players receive a governmental travel grant, this is not available for those under school leaving age. Traditional chess supporters here such as Lloyds Bank and the Slater Foundation gave help, while our two stockbroker sponsors, Grieveson Grant and Phillips and Drew, though already heavily committed to backing Nigel Short for the junior (under-20) world championship, also provided funds.

It proved a wise case of spreading the risk. For Conquest won in excellent style in Cordoba, while Nigel Short proved not in his best form in Mexico City. Two rounds from the end he was third.

The new schoolboy champion had a remarkable two days last weekend at the Lloyds Bank Masters in London. In successive rounds he defeated the Israeli grandmaster Kraidman, then drew with Russia's ex-world champion Smyslov. It is almost unique for a player so young to hold a world champion, and the only precedents at age 14 or younger are Pomar's draw with Alekhine in Gijon 1944 at 13 and Fischer's match draw with Euwe in 1957 at 14. Smyslov himself remarked on his opponent's mature approach, and indeed it is in difficult positional struggles that inexperience usually defeats younger players.

White: V. Smyslov (USSR).
Black: S. Conquest (England).
King's Indian (Lloyds Bank 1981).

1 P-Q4, N-KB3; 2 N-KB3, P-KN3; 3 B-N5, N-K5; 4 B-B4, B-N2; 5 QN-Q2, P-Q4; 6 P-K[…] N-Q2; 7 B-Q3, QN-B3; 8 P-KR[…] O-O; 9 O-O, P-B4; 10 B-K5, B-B[…]

White's slow build-up h[…] been a favourite of sever[…] Russian grandmasters such […] Bronstein and Taimanov wh[…] meeting weaker opponents. B[…] here Black has counter[…] accurately and now aims […] exchange the light-square[…] bishops to strengthen his ho[…] on the centre.

11 PxP, NxQBP; 12 Bx[…] PxB; 13 Q-K2, QN-Q2; 14 B-[…] N-K5; 15 N-Q4, P-K3; 16 N2-N[…] N-K4; 17 P-KB3, N-Q3; 18 QR-[…] Q-N3; 19 P-B3, N(4)-B5; 20 Bx[…] NxB; 21 P-KB4, P-QR4!

Active counterplay is esse[…]tial before White can start […] attack with P-KN4 supported […] rooks on the KN file.

22 N-B1, N-K5; 23 K-R2, K-[…] 24 N-Q3, R-KN1; 25 R-B3, B-[…] 26 R-KN1, R-N3; 27 P-KN[…] QR-KN1; 28 P-N5, BxN!

Precisely timed and a f[…] from obvious counter to Whit[…] plan of P-KR4-5.

29 KPxB, P-B3! 30 P-K[…] Q-B2!

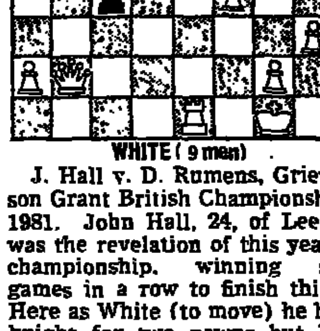
Now 31 P-R5? is met by Rx[…] so Black gains an importa[…] tempo for defence.

31 K-R1, R3-N2; 32 N-[…] Q-B2 (NxN; 33 PxN, QxQB[…] 34 QxP favours White); […] NxN? (after this Black is ev[…] better), QPxN; 34 R-R3, P-[…] 35 QPxP, PxKP; 36 PxP, Q-[…] 37 R-KB1, QxKP; 38 R3-[…] R-KB1; 39 R-B4, Q-Q4; 40 P-[…] Q-K4; 41 Q-KB2, P-K6; 42 Q-[…] R-K2; draw agreed. Black […] still preferable in the final po[…]tion, but his pawn can […] blockaded and progress […] difficult.

ICL will again be sponsori[…] the annual Hastings congress […] December, and Conques[…] results clearly merit a place […] the grandmaster group.

POSITION No. 387

BLACK (10 men)

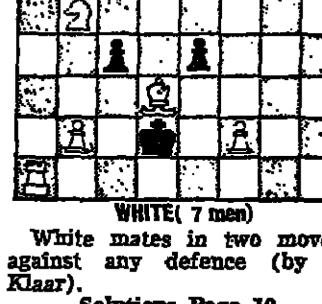


WHITE (9 men)

J. Hall v. D. Rumens, Grie[…]son Grant British Championsh[…] 1981. John Hall, 24, of Lee[…] was the revelation of this yea[…] championship, winning […] games in a row to finish thi[…] Here as White (to move) he h[…] knight for two pawns but […] rook is attacked. What shou[…] White play?

PROBLEM No. 387

BLACK (3 men)



WHITE (7 men)

White mates in two mov[…] against any defence (by […] Klaar).

Solutions Page 10

BRIDGE

E P. C. COTTER

I HAVE just received the *Official Handbook of the Sixth Contract Bridge World Team Olympiad*, once again ably edited by Henry Francis. It analyses over 200 hands, including all 80 from the final. It is a pleasure to read something so well put together. Copies costing $10.95 may be obtained from ACBL, 2200 Democrat Road, Memphis, TN 38116 U.S.A.

Today I shall discuss two hands from the final in which France defeated America by 131 IMPS to 111—a very close contest. Let us start with this difficult deal:

W.	N.	E.
	♠ K Q 9 4	
	♡ A J 8	
	◇ Q J 7 5	
	♣ 9 4	
♠ A 10 5 3 2		♠ —
♡ Q 9 7 2		♡ 10 4
◇ A		◇ K 9 8 6 4 3
♣ K J 3		♣ 10 8 7 5 2
	S.	
	♠ J 8 7 6	
	♡ K 6 5 3	
	◇ 10 2	
	♣ A Q 6	

South dealt with both sides vulnerable and passed, and West opened the bidding with one spade. In one room, after a pass from North, the American East took the dangerous course of replying with one no trump. Nemesis overtook him when his partner rebid two hearts, and was lucky to get off with one down against less than perfect defence.

In the other room East passed the spade bid, and South re-opened the bidding with one no trump. It is generally easier for declarer to play when the enemy strength is concentrated in one hand, and working on this principle, North raised his partner to three no trumps.

South won the opening lead of the spade three with dummy's nine, on which East discarded the six of diamonds, and returned the diamond two to his ten. West won with the Ace, and returned the two of hearts. Winning with dummy's Knave, South led the spade King, and West won to lead another heart to the Ace on the table. The diamond Queen lost to Eas[…] Ace, and the club return w[…] ducked to the Knave. Anoth[…] heart came back, and the wr[…]ing was on the wall—one dow[…]

Once West's diamond Ace h[…] captured an honour, the co[…]tract was bound to fail. In vi[…] of East's pass of the openi[…] one spade and his diamond d[…] card, South should have won t[…] spade lead in hand, and r[…]turned the diamond two. Wi[…] the cards as they lie, the sing[…]ton Ace wins, and there is […] further problem. This play al[…] succeeds against A K alone […] A K and another with West.

Both sides pressed a bit […] this game:

W.	N.	E.
	♠ J	
	♡ K J 10 8 3	
	◇ K 6 5	
	♣ J 8 4 3	
♠ Q 9 8 5 4		♠ 10 7 6
♡ A 7		♡ 6 5
◇ A 10 7 4		◇ Q 8 2
♣ Q 6		♣ A 10 7
	S.	
	♠ A K 2	
	♡ Q 9 4 2	
	◇ J 9 3	
	♣ K 9 5	

With neither side vulnerab[…] South bid one heart, West sa[…] one spade, and North jump[…] to four hearts, which is an ove[…]bid, and all passed. In the oth[…] room South bid one club, We[…] again said one spade, and Nor[…] made a negative double. Ea[…] raised to three spades, Nor[…] doubled again, and South we[…] four hearts.

In both rooms West made t[…] unhappy opening of a low spad[…] and the Knave won. In o[…] room, after taking the hea[…] return, West underled his di[…]mond Ace. The declarer play[…] with the odds when he put t[…] dummy's King—to make t[…] contract he had to find t[…] club Ace on his right—and Ea[…] certainly could not hold t[…] diamond Ace as well. Whe[…] the King held, he got hom[…] losing two club tricks.

In the other room We[…] defended better—he did n[…] underlead his diamond Ace, b[…] exited with a trump at tri[…] three. He took his Ace whe[…] South led a diamond, and car[…]fully avoided an endplay b[…] jettisoning his club Queen o[…] the declarer's King. This mea[…] that South lost a heart, a di[…]mond, and two clubs, and co[…] France 10 IMPS.

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Saturday September 5 1981

The fading of Reagan magic

WHEN President Reagan remarked this week that he was "not prepared to take Wall Street as a good critic or measuring point" of his economic policies, it was easy to sympathise with his temporary lapse from the faith in market forces on which his whole philosophy is founded. As the Dow Jones index fell to its lowest point for 15 months and other banks refused to follow the downward move in prime rates initiated by Chase Manhattan, it was only human for President Reagan to insist that the support expressed to him directly by "business leaders" was a truer comment on his policies than the implicit condemnation of the money men of Wall Street.

Wariness

Yet it is ultimately the financial investor more than any other actor on the financial stage who has to be convinced by the new direction taken by Reaganomics. For the confidence of industrialists or the quiescence of trade unionists can do little for an economy while investors are so nervous about the future demands that government policy will make on them that they will lend money only on prohibitive terms.

The predominant view on Wall Street at the moment is that there is little immediate prospect of closing the yawning gap between the rate of interest and the rate of inflation—currently equivalent to a real interest rate of about 10 per cent. And there are influential voices which argue that, when the gap does begin to narrow, it may just as easily be as a result of rising inflation as of falling interest rates.

An even more striking indication of investors' now wariness about the U.S. economy has been the behaviour of foreign exchanges. For the past year any bad news on U.S. interest rates has almost automatically been good for the dollar. In the past couple of weeks, however, sentiment in the foreign exchange markets seems to have undergone a subtle change. In seven days last week, the Dow Jones index fell by 22 points, mainly on worries about high interest rates, but at the same time the dollar fell against the D-Mark by three per cent. It is still much too early to say with confidence whether the unprecedented rise in the dollar which coincided with President Reagan's election has come to an end or is about to be reversed. But the gloss of what the markets have called "Reagan magic" does seem to be wearing off.

With investment analysts relying increasingly on terms such as "magic" and "psychology," it is particularly difficult to gauge the true forces moving the markets, or the underlying direction of movements. The strangest irony is that the latest worries have apparently been fuelled in part by the President's decision to cut back his plans for defence spending. A step in the direction that investors have been calling for has, in the short term at least, done more harm than good by drawing attention to the size of the President's budget deficit problem. But obviously it is better in the long run that this problem should be recognised than ignored.

As the D-Mark has begun to reassert itself against the dollar, there have also been some signs of the adjustment between sterling and the Continental countries, for which many industrialists have been praying. In the past week, the pound has fallen by more than 10 pfennigs.

With the Bundesbank much more active in the foreign exchanges than the Bank of England, and much more concerned about what it regards as the unwarranted fall in its currency, technical considerations point to the D-Mark being the first beneficiary of any disillusionment with the dollar. More important fundamental factors are also widely regarded as favouring the D-Mark.

Policies

But a warning note about the possible effects of prolonged currency weakness on even the soundest economies was struck yesterday by the news that Switzerland's rate of inflation has risen to 7½ per cent in the last 12 months. The economic condition and government policies of West Germany's EMS partners, particularly France, pose further questions as to whether West Germany can carry out what it regards as a necessary revaluation of the D-Mark.

With all these uncertainties clouding the international horizon, it is hardly surprising that the London equity market took a lead from Wall Street yesterday and plunged by 13.1 points. The financial position of much of British industry is still desperate and the possibility that waves of rights issues will set a ceiling on any upturn in the market is impossible to dismiss.

While the Prime Minister and the Chancellor are proving justified in their contention that the worst of the recession is now over, it is still far from clear that the worst of their political problems are past. The very gentle recovery which is perhaps in prospect will not satisfy industry — as the CBI again made plain on Wednesday. And it may not satisfy the Conservative Party or the electorate. Whether a faster recovery can be made compatible with the economic strategy, as the CBI believes, must become the central question, in the coming year's economic debate.

THE US SEARCH FOR SOUND MONEY

GOLD

A flirtation with the past

Ian Hargreaves in Washington reports that the possibility that the U.S. should return to the gold standard is being earnestly canvassed in the American capital by a group of "true believers" including Representative Jack Kemp (right), one of the key figures in President Reagan's tax-cutting campaign. Congress has now set up a Gold Commission to see if there is a role for gold in U.S. economic policy and the idea that gold may after all have a place has attracted some unlikely converts. Senior Treasury officials are embarrassed by the flurry of interest in the metal. But, says Congressman Ron Paul, "we have the destruction of the bond market and the savings and loans associations. Eventually, they won't be able to sell Government bonds. Then they'll listen."

MR DONALD REGAN, Secretary of the U.S. Treasury and former head of America's largest securities company, is in an embarrassing spot.

The problem, in a word, is gold. In addition to his responsibilities as chief financial officer for the world's largest economy, Mr Regan is also chairman of the U.S. Gold Commission. This body, set up in June following factional pressures in Congress, is charged with considering whether the U.S. might re-adopt the gold standard as a means of valuing its currency.

To most Americans, as indeed to most non-Americans, the gold standard is an obscure historical relic whose rigidities contributed to the great depression and which was therefore appropriately discarded by President Franklin Delano Roosevelt in 1933. Actually, it was not until 1971 that the final direct link between gold and the dollar was severed, when President Nixon withdrew the right of foreign governments to ask for gold in exchange for some of their dollar reserves.

A gold standard, in its classic and simplest form, is a system whereby every unit of currency in circulation is exchangeable for an identical volume of gold bullion, with the price ratio between the two forms of money set at an "official" rate. In international affairs, this would mean fixed exchange rates. Balance of payments deficits would be settled by shipping gold or a promissory substitute (a piece of paper) from one country to another.

Gold henceforth, Mr Nixon's advisers declared, would be a speculative sideshow, a show to which subsequent administrations have contributed by erratically selling or withholding sale of American gold reserves. The aim has been to reinforce the message that, to adapt Keynes's famous phrase, barbaric metal would be of interest only to barbarians.

In this context, it is not hard to see why Mr Regan is squirming. It is as if the Surgeon-General had been mandated to examine the potential for leeching, or the Attorney-General told to take a look at ordeal by fire as a mode of criminal investigation.

"There certainly is a bashfulness about associating with gold," concedes Mr Lewis Lehrman, the 43-year-old New York businessman (his family company is Rite-Aid drug stores) turned philosopher. "If you're sufficiently concerned with your academic reputation."

Ex-Yale and Harvard himself, the cogent, some say brilliant, Mr Lehrman was a candidate for Treasury Secretary, backed strongly by Congressman Jack Kemp, co-sponsor of the Kemp-Roth tax cut Bill which is now law. Mr Lehrman is also a member of the Gold Commission and the gold standard's most effective evangelist. "They have threatened to remove my degrees," he jokes.

Mr Regan, however, is not complaining. He is hiding. Having opened the first and so far only meeting of the Commission in July, he said that gold was not a subject he wished to see his name linked with in the Press and left the gavel to Mr Beryl Sprinkel, the garrulous Chicago banker who is Under-Secretary for Monetary Affairs in the Treasury.

Mr Sprinkel then tried to railroad the 17-man Commission—its membership includes seven Congressmen, three Governors of the Federal Reserve, two members of the President's Council of Economic Advisers and four "distinguished private citizens"—by pointing out that the congressional mandate said the Commission must report by October 7, one year from the date of its official creation by Congress.

The ploy misfired, however, and even gold commissioners such as Mr Paul McCracken, economist and adviser to three anti-gold Republican Presidents, protested. Congress will now be asked to extend the deadline.

Mr Sprinkel, meanwhile, normally accessible and proud of his disdain for the comforts of traditional off-the-record Press chats, is also keeping his head down. "This is not a subject Mr Sprinkel cares to talk about," said a Treasury spokesman this week.

But this issue will not go away. For a start, there's the boss himself. President Reagan is widely assumed, on the basis of little evidence, none of it recent, to be interested in the gold standard and attracted to the homely conviction that good money beats bad any day.

Then there is the fact that even as Messrs Reagan and Sprinkel have turned their faces to the wall, every other economist and attention-grabber in the country has started talking. The Wall Street Journal, ever a torch-carrier for the Right, seems to have turned its editorial page into a kind of private subscription gold letter, where such unlikely figures as Mr Alan Greenspan, economic guru of President Ford, have declared at least a partial conversion.

Mr Greenspan argued in a piece this week that the U.S. should try selling five-year Treasury notes backed by gold, a stratagem he thinks would enable the Government to pay a lower interest rate (not the present 15 per cent but under 2 per cent based upon current gold futures prices), because of their convertibility to gold at maturity. There would be risks in this, of course, for the Treasury might issue notes at $400 to the ounce (the recent gold price) and find itself redeeming them at $850 to the ounce (last year's price). But Mr Greenspan thinks this "could test the feasibility of returning to a gold standard," essentially by seeing how much confidence investors have in these gold-backed instruments.

Before taking this step the U.S. Treasury would do well to compare notes with the French Treasury which has found gold-backed bonds a dangerous way of raising money. When he was Finance Minister in 1973 M. Valery Giscard D'Estaing raised FFr 6.6bn for the French state with a gold-backed bond. This must be repaid in 1988, and at the current price of gold redemption will require no less than FFr 47bn.

> **"It is as if the Surgeon-General had been mandated to examine the potential for leeching, or the Attorney-General told to take a look at ordeal by fire as a mode of criminal investigation"**

Nor is Mr Greenspan the only unlikely figure renting space in the suburbs of the golden city. Mr Robert Weintraub, the respected monetarist on the *important Joint Economic Committee* of Congress, has advanced a more wide-ranging plan for the Fed to hold gold-backed certificates equal in value to 9 per cent of its currency liabilities. By picking this ratio—which represents the existing ratio of gold to dollars by the Weintraub definition—and an unrealistically low price for gold (under $50 an ounce), the price would then be allowed to advance by 3 per cent a year. This in turn would permit a 3 per cent annual growth in money supply and finally put America's hands on the holy grail of non-inflationary, orderly economic growth. The Weintraub plan, being pushed by Senator Roger Jepsen of the Gold Commission, is one of several ideas designed to build upon the alleged unique respect for gold as a symbol of financial stability without taking the risk of full dollar-gold convertibility.

None of this, however, has altered the opinion of Congressman Ron Paul of Texas; he and Mr Lehrman are the only two out-and-out gold backers on the Commission. "It's pretty well stacked against us saying (in a final report) that we should really have a gold standard," he says. And he considers the "pseudo gold standards" of Greenspan *et al* a poisonous corruption which time and inflation will rapidly sweep away.

"We have the destruction of the bond market and of the savings and loan associations. *Eventually, they won't be able to sell Government bonds. Then they'll listen*," he thunders. Representative Paul, incidentally, ran for office in 1974 mainly to promote his views about gold.

Mr Sprinkel and the Fed believe in slow, orderly monetary growth and balanced Federal budgets. But they do not believe that a mere commitment by today's temporary politicians to such a goal will convince people that it will work. Hence inflationary expectations and inflation continue.

Only a binding legal commitment to a gold standard by the Government, perhaps enshrined in the Constitution, would generate such long-term confidence, encouraging Americans to save again. The system could either be based upon total gold backing for all currency in circulation (Mr Paul's version), or a subtler system of setting the dollar-gold price relationship and then managing it by buying or selling gold (Mr Lehrman's). Because the world supply of new gold has increased for hundreds of years at an average rate of 1 to 2 per cent, this would guarantee long-term monetary prudence.

Mr Lehrman would also ban the Fed from intervening in the non-discount window part of the open credit market. He considers that a complex and meaningless diversion from its chief function of lending to banks at a discount rate which would float a notch above the going bank or prime rate.

He thinks the switch to a gold standard could be achieved in about two years. In that time, the President and Congress would commit themselves to balancing the budget and the Fed to a rigid money growth target of about 3 per cent a year, not entirely unlike the present policy. This would so reduce and then stabilise the market price of gold that the dollar-gold price relationship could be cast in stone on the basis of this market price in the final 90 days of the transition.

There would also be a guarantee against any drop in nominal wages (and hence against instant slump), and a conference for international monetary authorities at which they would be offered the Hobson's choice of "the equilibrium of U.S. leadership." Once the system was working, demand for or willingness to sell gold for dollars would give the Fed a simple but effective gauge on whether to supply or drain money from the economy.

The models for the Lehrman thesis, best argued in a paper published by Morgan Stanley in January 1980, are, he says most significantly influenced by the many ideas of Jacques Rueff, the financial mastermind behind De Gaulle's Fifth Republic.

The objections, it goes without saying, are manifold:

- About 75 per cent of new gold comes from the *hardly* stable sources of South Africa and the Soviet Union;
- Gold standards in the past have been accompanied by wild and frequent pitches in the economic cycle unacceptable in the modern world;
- The world trade system is too complex today, and what about all those petrodollars which could be cashed for gold?
- What would happen, under the credit crunch inevitable with gold, to the stack of ever-circulating, ever-inflating debt of less liquid corporations and countries, among whom are several of the largest developing countries.

There are answers to these points. New gold is less than 1 per cent a year of gold stocks and therefore could not be disruptive; also the Arabs would like a solid dollar and bankruptcy is eventually an inevitable component of the capitalist system—but the gold thesis has a long way to go before it overcomes the anxieties and scorn it generates.

And Mr Lehrman does not really have an answer to the question of how the Fed and the President can get their monetary and budget balancing act together in the two-year transition when this goal has been so elusive in the past. If it could be achieved, why would the country need to switch to gold anyway?

But gold does have an allure and the debate is now under way. Mr Murray Weidenbaum and Mr Jerry Jordan, the two members of the Council of Economic Advisors on the Gold Commission, have said that they want at least to examine the case for gold. And, so far, other potentially important voices, such as that of Mr David Stockman, Mr Reagan's Budget Director and a co-worker with Mr Lehrman and others on the supply-side gospel of Kemp-Roth, have yet to find time really to address the issue.

But already it is becoming necessary to distinguish within the Administration's economic hierarchy between the anti-gold monetarists and the supply-siders who now are starting to feel that the crucial next stage of the Reagan economic plan—the generation of savings and extra tax revenues as massive tax cuts start to take place—may be in jeopardy because Wall Street and the American people do not have long-term confidence in it. Gold, by this argument, has become essential to preventing a snap in the Laffer curve, the famous graphic which demonstrates the intended effects of the tax-cutting strategy. By this argument gold thus also becomes critical for Republican hopes in the mid-term Congressional elections next year.

It is still easier to scoff at all of this than to take it seriously, but Washington is being cautious. After all, three years ago, people were scoffing at the tax-cutting philosophy of Mr Laffer and Jack Kemp, both of them backers of gold.

"Monetarists and Keynesians are intellectually bankrupt," says Mr Lehrman. Leaving aside the merits of his gold thesis, if Mr Reagan fails in the next year to get inflation and the financial markets back into some kind of order, it will be hard to argue with that statement.

Letters to the Editor

Information

From the Managing Director Metal Bulletin

Sir,—I was very interested to read the account of the Pactel report on information technology by Guy de Jonquieres (August 27). Judging by his account, it seems to be no more enlightened than 99 per cent of all the other material written about information technology in examining one question — what is all this information technology for? I have no difficulty in answering this question—it is for the transmission of information. In other words, information technology is a means to an end and not an end in itself.

We are far more concerned with the media we use having the widest possible international compatability than with where they may have happened to be manufactured. As a matter of practical fact, I think Pactel is right and that the British information technology industry has, to a considerable extent, already missed the boat—at least for the immediately coming generation of new technology media.

I would like to suggest what I believe can be identified as an area for a distinctively British contribution in the total field of information/information technology over the next couple of decades.

This starts with the fact that whatever may be wrong with the British image as a supplier of information technology worldwide, there is nothing much wrong with the British image as a supplier of information. Thus, once the novelty of asking by which means the information was transmitted has worn off, we shall continue to come back to the central question — how good is the information that is being transmitted anyway?

What I do see as pertinent to this question, in terms of information technology, is the matter of matching horses to courses. It is no accident that certain types of information now accept as standard that their dissemination medium shall be computer nets, or fax links, or videotex systems such as Prestel. With the likelihood that the choice of information technology available to the information provider will be much wider in the future than at present, this whole question of selecting the information transmission medium most suited to the nature of the information in question, and in particular to the recipients of that information world-wide, is going to become increasingly important.

We in the information business are obviously doing our bit as buyers to look into this question from our side of the fence. I believe that the distinctively British contribution could be made by the information technology side, as sellers, at least meeting us halfway in this investigation.

T. J. Tarring,
Metal Bulletin,
45-46, Lower Marsh, SE1.

Demand

From Mr W. Hobhouse

Sir,—The new economic law applying to petrol prices—that they rise, rise and rise again—seems to apply equally to instant coffee. Your article on September 2 stated that a fall of 23 per cent in world coffee prices, "trading up" by UK consumers, rise in the value of sterling, decline in the value of sterling, rising costs of labour, packaging and distribution have all caused a continuing increase in the cost of instant coffee.

Perhaps the new economic law is best explained in your last paragraph: sales volume is rising. Is it all to do with that very old economic law: elasticity of demand?

W. Hobhouse,
1, Parsonage Lane,
Market Lavington, Wilts.

Tea

From Mr G. Toplas

Sir,—There seems to be something wrong with Mr Roy Hodson's mathematics (September 2). He states at the outset that the tea market in the world is £100m pa, then that prices seem to average about 90p per kilo; later we are told that the top three producers alone sell over 500m kilos pa. Including a fair margin for all the other producers, say 300m kilos, this would surely make total sales in the region of £750m.

From the graph showing the recent behaviour of prices the supply would seem greater than demand. There is one thing to do about that: do an all out job on marketing and education. To take another example: the Italians are avid drinkers of Scotch of late, but they hardly drink any tea. If they can absorb one British habit, they might well absorb another; but they must be shown how.

Indian girls have very winning ways. Perhaps Indira can spare a small team to do the showing in the major Italian centres; results could be surprising, if they have plenty of sugar.

George M. Toplas,
Top Enterprises,
P.O. Box 222,
Cambridge.

Football

From Mr L. Davies

Sir,—I read with great interest Ray Maughan's article "The game football is losing" (August 29) and would like to respectfully point out a small inaccuracy. The season did not start with 46 referees blowing their whistles at three o'clock, only 44 did this. The referee at Newport blew his at 3.15 and the one at Torquay, the club I support, started his season at 7.30 with the match against Hull.

Mr Maughan's article made depressing reading which is not surprising as at this time of the year most soccer commentators are writing in a similar vein. Year after year, however the game still goes on and apart from isolated instances, when a fourth division club is not re-elected, the same teams are competing.

In Torquay's case it was reported that during the close season it was in dire financial difficulties which happily it overcame. I imagine this situation is not unusual with many clubs in the League but nevertheless they manage to survive.

It was mentioned that most clubs were limited companies and in the present economic climate with many industrial and commercial companies going out of business, clubs in the football industry seem to be holding up reasonably well.

My view is that football should be left to get on with its own business because with all the so-called over spending the money is eventually found somewhere.

Incidentally, it would be a tragedy if Torquay did not survive for where else can one get a superb pastie with a cupper at half time.

L. J. Davies,
Three Oaks,
New Road,
Wormley,
Godalming, Surrey.

Clubs

From Mr C. Edwardes-Ker

Sir,—Your analysis of soccer (August 29) was too pessimistic because it failed to emphasise some of the new attitudes and ideas emerging up and down the country.

Dramatic ground improvements are being made to modernise stadiums (Coventry, Queens Park Rangers) and make them more pleasant for spectators. Queens Park Rangers must be congratulated for replacing its infamous Loftus Road pitch with artificial grass. The additional activities to be held there (both sporting and cultural) will of course be of major financial benefit to the club, but also to the community.

The fight against hooliganism is starting to bear results. Not only are clubs improving crowd segregation and safety (Cambridge United) but many of the personalities of soccer are trying to educate their home supporters. Brian Clough, Elton John, Lawrie McMenemy and Ron Saunders are having success in their attempts to clean up the image of soccer. They must be praised for this. Soccer may at last be turning the page to a brighter future.

Charles Edwardes-Ker.
6, Sheffield Terrace, W8.

Railways

From Mr L. Irvine-Brown

Sir,—A pension imposes limitations and I have always had an idea that if I became well-to-do I would indulge myself in your paper daily and enjoy what I had thought would be near perfection. Your approach to the subject of British Rail over the past few weeks has disillusioned me completely. I cannot see my own paper, road dominated though it is, let alone the most irresponsible of your popular contemporaries, producing such a farrago of nonsense as your article by Messrs Kaletsky and McLain on August 29. You start off by demanding a strategy for the railways but how on earth can you deal with this one form of transport in complete isolation? How can you print an article of that length in which every single aspect of railway operation is dealt with—critically—and the word "lorry" appears once? The "inefficiency" of BR is never in doubt but who exactly says it is inefficient, what are his qualifications, what is his standard of comparison and above all, what is his racket?

The gem of the entire article must surely be the statement that BR has lost freight traffic because of "the decline in the use of coal and the declining importance of heavy industry." Have the authors ever been on a major road and studied the volume of traffic passing in heavy lorries? Have they noted the swarming coaches, one man to every 40 passengers, and wondered why rail can't compete with one to 10 times that number on a train?

"The answer to the problem is not the simple one assumed by many people." But it is childishly simple provided there is no incentive to suppress the facts as there appears to be. The railway is a complete entity where every figure is known. Road transport, which is destroying it, is in two watertight compartments with virtually no connection between them. One is the infrastructure which is provided by government, the other the vehicle side again subdivided into the private sector which pays through the nose and finances the whole business and the commercial operator who enjoys a level of subsidy—one German authority put it as high as 60 per cent—which would be a joke if applied to a rail system.

L. Irvine-Brown.
Church Street,
Wyre Piddle, Worcs.

Purchasing

From Mr C. Simeons

Sir,—A prediction that the UK technology deficit is likely to treble by 1990 is borne out by my own experience of attempts by UK companies to introduce foreign technology for production here and the employment of British workers.

Despite letters from Ministers and Government departments to the contrary, and I do not doubt their sincerity for one minute, where public money is concerned, at the point of purchase, the message is you must buy British virtually come what may.

I own a British car and I want to see our products bought worldwide, but where taxpayers' money is concerned, there should be three criteria when coming to a decision on purchase, namely: value for money; evidence of successful application elsewhere; and an ability to deliver on time. If this means buying the hardware first time round from abroad, then it will be in everyone's best interests to do so. If it is going to result ultimately in the equipment being manufactured here, there is a double pay-off. But if the opportunities are missed due to an unwillingness to buy the right technology then the production and employment will go to another EEC country.

I can point to examples of other countries using equipment because technically it is the best, while we turn it down for unproven UK types not always even fully developed.

Charles Simeons.
21, Ludlow Avenue,
Luton, Beds.

William Hall, Banking Correspondent, reports that this week co-operation between Britain's big four banks has formally come to an end

How competition can hurt the customer

THE VAST majority of personal customers probably did not notice it, but last Tuesday at 9.30 am, the quality of the service provided by Britain's high street banks took a turn for the worse.

As soon as its 3,000 branches had opened for business, Barclays Bank started charging other banks' customers 50p for cashing personal cheques at the great majority of its branches.

Aside from inconveniencing the 15m customers who do not bank with Barclays, it is an *even bigger blow for Barclays'* 5m customers. They now find that the number of outlets where they can cash their own cheques for free has been slashed by *roughly three* quarters. This is because other big banks have retaliated and imposed 50p charges on Barclays' customers, but not their own (Midland has still to make up its mind).

At the same time, the last of the big clearing banks (Lloyds and Barclays) introduced 30p-per-item charges for the payment of certain *bills* over bank counters.

The events of the past week are the clearest sign yet that the cosy co-operation between Britain's banks, which on the whole has benefited their customers, is a thing of the past. *The new men now* running Britain's Big Four Banks—Barclays, National Westminster, Lloyds and Midland—have thrown out many of the old ideas their predecessors relied on to guide them in their approach to personal customers.

Although their profits are at historically high levels the banks are reputed to be losing around £700m a year on their money transmission service—collecting cash, processing cheques and giro credits, etc.—Of course, the banks have access to cheap deposits by providing a funds transfer service and this offsets the losses. Nevertheless, the banks are being forced to take a completely new look at their money transmission operations—someting they have *long* neglected—and far reaching changes are under way.

One effect of this review is that the day when banks pay interest to current account holders may not be too far away. But for the *time being* the banks are concentrating on improving the quality and *profitability* of their counter services.

Until now members of *the* public have been able to walk into any of the country's 12,000 *bank* branches and pay their household bills, free of charge, by using the bank giro credit system. The service even applied to people without bank accounts.

Under the new regime, which became completely effective from last Tuesday, bank customers will now normally have to stick to their own bank's branches if they want to pay their bills at no cost. What this means in practice is that the number of outlets they can use has been cut by 75 per cent.

Bankers admit that the amount of money they will raise from these new charges is peanuts. Indeed, some of them are known to be embarrassed that they are introducing the new fees and sharply curtailing the number of outlets that customers can use for free, at a time when they are trying to win over the 11m adults in Britain without a bank account.

The effect of the recent moves has *still* to be analysed but it is hard to see how it cannot have damaged the banks' much publicised efforts to recruit the "Great Unbanked" section of the *population, which is much* higher in the UK than in most other major industrialised countries.

Indeed the moves must cast doubt about the extent of the commitment of some of the

MR BRIAN PEARSE
customers of other banks

big banks to *extend the* "banking habit." There is also a questionmark over the *long* term future of the banks' inefficient giro system which they are planning expensively to automate to cater for an *expected growth in traffic,* which may now not materialise.

The big banks appear to be pretty thick skinned about the public reaction to the recent *moves* and partly *blame* the Office of Fair Trading for their decision to abandon the so-called "agency tariff" which covered the way banks charged each other for work done for the other banks' customers.

In addition, they stress that what is happening partly stems from the increased competition between banks and a desire to improve service. The last claim rings a little hollow when customers have to pay for services that used to be free and the number of outlets they can use at no charge has been drastically curtailed.

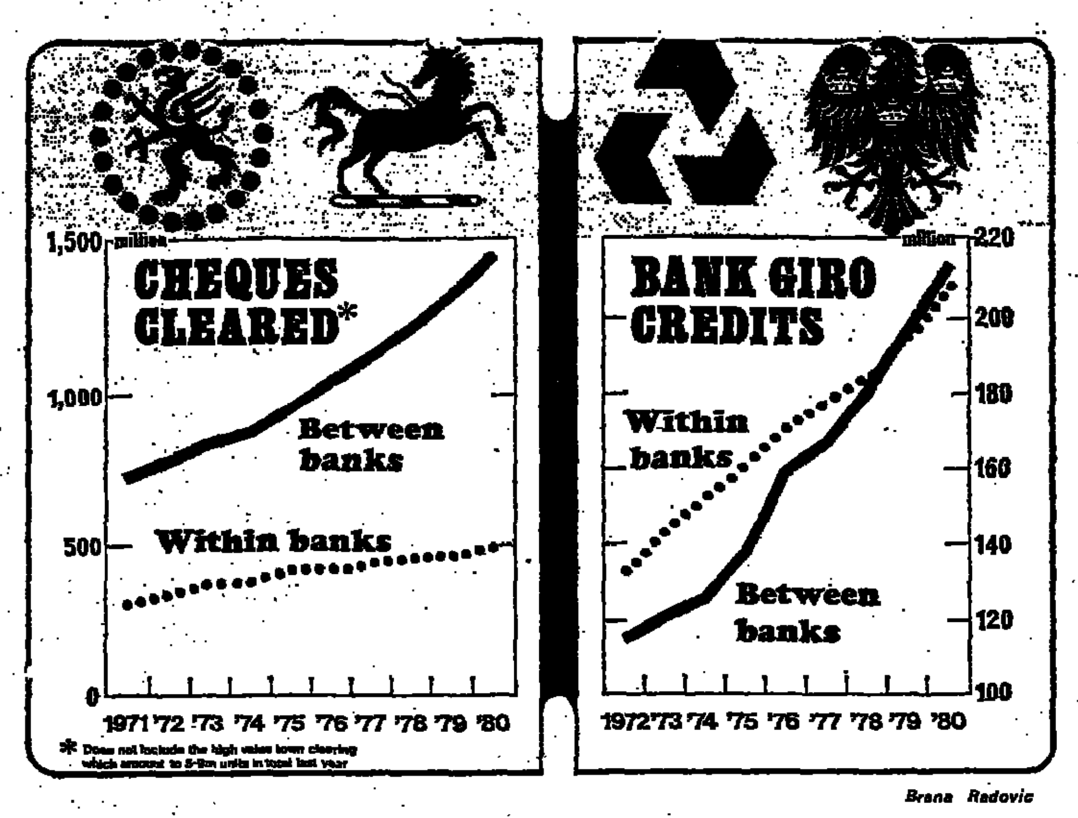
Barclays Bank, Britain's biggesct bank and the acknowledged market leader, has been the keenest of all to abandon the co-operative approach to the provision of basic money transmission services by the high street banks—a service to customers *which has traditionally* set UK banks apart from their overseas rivals.

Barclays' decision to charge 50p for cashing other banks' customers cheques *was sparked* off by the fact that Barclays says it was cashing 24m cheques a year for other banks while they only handled 12m Barclays cheques.

Mr Brian Pearse, the genial head of Barclays UK retail banking operation, says that the imbalance arises "largely because of the many improve*ments we have made* to our counter service over a number of years." The other banks find this arrogant claim rather hard to swallow.

"Our customers resent having to queue behind customers of other banks," says Mr Pearse. *He argues that if other banks'* customers want to use Barclays branches they must be prepared to offset someof the cost.

He sees the move as a com*petitive one; if non customers* like the service, they might be persuaded to open an account and avoid charges.



Brana Radovic

Mr Geoffrey Naylor, marketing head at Williams and *Glyn's*, which has recently abolished bank charges as part of an aggressive campaign to seek new customers, argues that Barclays have "misread" the situation. He believes the real threat is not from other banks but from the building societies.

However, Barclays is unrepentant. Mr Pearse feels strongly that smaller banks like Williams and Glyn's (part of Royal Bank of Scotland which is being *wooed* by two suitors), which do not have to shoulder the heavy costs of running a large branch network, have been living off the coat tails of *Barclays and the other* big bank for too long.

Although it has fewer than 300 branches, compared with Barclays 3,000, and a minute 2½ per cent of the English banking market, Williams and Glyn's *has been able to offer its custo*mers the facilities of a major clearing bank without having to carry the cost of maintaining a large and expensive branch network.

Its customers could cash cheques in other banks' branches and use the bank giro credit system anywhere in the UK even though they were miles away from a Williams and *Glyn's branch. The big banks* believe that these advantages have enabled Williams and Glyn's, and the other small banks to underprice their money transmission services and gain a competitive advantage.

Indeed, it is the escalating cost of maintaining Britain's money transmission service which lies at the heart of the big banks' problems and explains their recent decisions, in effect, to downgrade their services by abandoning the co-operative approach.

The *business* is very labour intensive and the volume of paper going through the system is rising at an alarming rate. Nearly 2bn cheques were handled last year and the volume could nearly double in the coming decade. The volume *of bank giro credits* has been growing equally fast and is now roughly equal to the volume of cheques handled 20 years ago.

The banks have muddled along for years. The persistent undercharging for their basic money transmission services *has long defied logic even when* the customer has been able to find out for what he is being charged.

Not before time the banks are now trying to get to *grips* with their money transmission operation and allocate the costs on a more rational basis so that the person who benefits also pays. Unfortunately this sensible initiative also appears to be coinciding with a deterioration in the services available to the public.

The banks currently *face* a fundamental problem in deciding where co-operation should stop and competition begin.

It could be argued with hindsight that the banks' decision in the late 1960s to go their *own separate ways on cash dis*pensers was a retrograde step

Now the banks seem destined to move further down the road of fragmenting the banking *system*. This will reduce the effectiveness of the service to the personal customer. No one would deny that competition is a good thing but there is a danger that the banks in their newfound competitive zeal will undermine many of the advantages *of the current system.*

Barclays, in particular, has stressed that it wants to be the bank that is different from, and preferable to, its customers. It is investing heavily in improving its customer service but at the end of the day its biggest *strength is its large branch net*work, especially if it can ensure that, via moves such as the 50p charge, it can capture a larger segment of the banking market that needs access to its money transmission service.

In many respects a country's money transmission *service* is no different from any other public utility such as an electricity grid and in some countries the state bears the cost.

However, Britain's banks are now taking a series of measures which are making them com*pete in offering access* to the country's money transmission service. While they can compete on the standards of service they offer, there is a limit to what they can do in this direction. The public might be better served if they concentrated *more on competing more* aggressively on the price of their services—in particular their lending.

Weekend Brief

Lew Grade not yet on the wane

Lord (Lew) Grade's early morning arrivals at Associated Communication's Marble Arch headquarters in London have taken on a new dimension over the past few weeks. The Sep*tember air has* an autumnal feel about it—can ACC's winter be far away?—and sleepy-eyed reporters hover to peck a 5.30 a.m. quotable quote from the ever-willing Lew. Even nephew Michael Grade, son of Leslie, joined in the fun. Throwing his own *Press party* as programme controller of London Weekend Television he greeted the assembled show-biz Fleet Street corps to his South Bank tower with the words: "It's very nice of you to spare the time from Great Cumberland Place."

Young Michael's star may be waxing, what with a crisp new IBA contract for LWT and a whole batch of new comedy *shows going on the air from* his stable, but it may be a little early, even now, to say that 74-year-old Lew's star is finally on the wane.

"A cheery, likeable personal style"

There is little doubt that the real fascination of the Grade game is the speculation over whether the old master can once more pull a rabbit out of the ACC hat. Grade's basic *assets have always been a good* nose for public taste in entertainment and a cheery, likeable personal style. Films proved his undoing first because the instinct that knew what was right for the stage and for television proved grossly wrong when it came to films. Even his much boasted success, the Muppet Movie, was a television *spin-off. His hand-shake style of* business seems not to have entirely suited the multi-million bottomless bucket world of films.

When Lord Lew faces his shareholders next week, secure in the knowledge that his 1 per cent holding in ACC gives him 27.5 per cent of the voting stock, he will doubtless attempt to disarm critics with his traditional impressive combination of frankness and optimism. Watch out for more "Every day older I get, I get a day younger," he jokes.

If there is much of an upset clearly the attitude of Jack Gill, who collects a reported £500,000 handshake for his departure from the right-hand-man post in Grade's empire, is crucial. Gill has 15 per cent of the votes. Other key voices in the ACC power struggle are Messrs Louis Benjamin, Ellis Birk and Bill Michel, all from the ACC board, plus Mr Norman Collins as the fourth largest voting stockholder.

Movement of the voting shares is strictly monitored by the Independent Broadcasting Authority, so Lew is unlikely to be caught by any surprise movements in power. Any move *by the authority* to widen the enfranchisement of ACC shares would not go down well with Grade. They might, however, be interesting to Australian Mr Robert Holmes a Court, whose spring total of 21.7 per cent of non-voting stock has *now soared to* 29 per cent.

Thursday, when the ACC meeting takes place, could be quite a day. Even Lew is looking forward to it and clearly expects a triumph. "All the Press will be welcome", he chirruped yesterday. By Thursday he will, of course, be a week younger.

A new earthquake detector

Can you hear an earthquake or a volcanic disturbance? Obviously you can if you happen to be within earshot at the time of the upheaval or eruption.

But can you hear them be*fore they occur? U.S. Govern*ment scientists say they are becoming increasingly interested in "serious research" on people who have made such claims.

The suspicion is that some people may be sensitive to extremely low frequency sound or weak electro-magnetic fields.

Research, say the U.S. scientists, could yield important findings on whether unusual *auditory or other sensations are* associated with geophysical events.

Christopher Dodge of the Science Policy Research Division of the Library of Congress said at a conference of the Bioelectromagnetics Society in *Washington that* a preliminary study had pointed to a "tantalising coincidence" between seismic and volcanic activity and migraine symptoms reported by a woman in Oregon.

In a joint paper presented with Richard Teil, acting chief of the non-ionizing radiation surveillance branch of the Protec*tion Agency facility in Las Vegas* (work that one out) they note the case of Mrs King, a 35-year-old Oregon housewife as, perhaps, "the tip of the iceberg" in a phenomenon associated with a very small fraction of the population.

According to Mr Dodge, Mrs King has successfully "premonitored from 12 hours to three days in advance occurences including a steamburst *from Mount St Helen's volcano* and earthquakes in Westmoreland and Eureka, California.

"Tantalised," as these U.S. scientists say, by Mrs King's auditory sensations in advance of geological disturbances, the University of Coloradp Medical Centre in Boulder has set up "Project Migraine" to explore the phenomenon.

It all sounds good scientific staff except that Mrs King lives in a town called Salem in *Oregon*. There are some 20 Salems listed in the world gazeteer, most in the States, of which Salem, Massachusetts *is* the most notorious because of its 19th Century witches.

Any English coven willing to help with the project?

Nostalgia to return to the Pierre

The Pierre — the 42-storey granite and limestone luxury watering hole *which passes in* Manhattan for a French chateau with a gleaming copper tower overlooking Central Park—is under new management.

Since its owners booted out Sir Charles Forte, whose Trust House Forte chain managed the Pierre for the past six years, *the landmark hotel* has been run since March by Four Seasons, the privately held Canadian chain which operates the Inn on the Park in London and *specialises in* what it calls "medium sized luxury hotels for the non price sensitive corporate executive."

What that really means is that Four Seasons operates some of the world's most expensive hotels—indeed, the Inn on The Park, which once played *host to* the millionaire recluse Howard Hughes, has been called the most expensive in the world.

But by landing a 21-year management contract to operate the Pierre, the relatively young Canadian hotel chain has undoubtedly pulled off a major coup. As Mr Isadore Sharp, the 49-year-old chairman of the group who founded Four Seasons 20 years ago, explained. "New York is the most important hotel market in the world." *And the Pierre is probably* the cty's most prestigious hotel.

For Sir Charles Forte is was clearly a blow to lose the Pierre. Why the owners of the Pierre refused to renew his management contract is still unclear. *The rumours are that they felt* THF was not doing justice to an establishment as lofty as the 50-year-old hotel founded by a Corsican called Charles Pierre Casalesco with the *backing* of such financial power horses as *Otto* Kahn, Edward Hutton, Walter Chrysler and Peter Frelinghuysen.

The Pierre, after all, was a favourite rendezvous of the haut monde of New York from the Vanderbilts to the Astors and *to scores of litterati* and *glitterati*.

The current owners of the Pierre are also an unusual bunch. In 1938, the Pierre was sold for a steal to Jean Paul Getty, the oil billionaire. Mr Getty paid $2.5m for the hotel which had cost $15m to build. He subsequently converted it into a co-operative.

Co-operatives are a familiar New York real estate device. What it means is that tenants own shares in the co-operative which controls the building and can pass on their apartments by selling their shares.

The shareholders and tenant owners at the Pierre are a highly select group who abhore publicity and want to be left to lead their opulent lives in complete privacy. They are so private in fact that it is impossible to find out who exactly they are. *In any event, they* were unhappy with Sir Charles

Mr Sharp, sitting in one of the Pierre's plush suits with coffee and *petit fours* on a low-slung *table, said his company* would be spending a minimum of $8m to put things back in order at the Pierre. Among the requests of the Pierre's tenant owners was the creating of a fine restaurant. But Mr Sharp added that *every* room will be done up again and the "public areas of the Pierre will be brought back to what the Pierre was."

"We plan to go back to a *little nostalgia,"* he said.

"We made an arrangement with the owners of the Pierre not to open another hotel in New York but devote all our energies *to this property,*" Mr Sharp says. And he adds that one of the strengths of his group is that it is small enough to give personal attention even *to small problems.*

Judging from Sir Charles's experiences, Mr Sharp may well have to devote considerable personal attention to keep things humming at the Pierre. But he seems quite confident. *After all,* he handled Howard Hughes's London stay at the Inn on the Park with considerable skill.

"We had no problems. Everything went very smoothly," he recalls. "But I remember stay*ing the* night at the Inn on the Park and hearing this noise at night. I was later told it was simply Mr Hughes playing his movies."

Contributors:
Arthur Sandles
Max Commander
Paul Betts

Economic Diary

TODAY: European Community Foreign Ministers meet for talks on *Middle East at Brocket Hall,* Hertfordshire, under chairmanship of Lord Carrington. First national congress of Polish independent union Solidarity opens, Gdansk.

TOMORROW: Cut in West Midlands bus fares by an average *of 24 per cent.*

MONDAY: Annual conference of Trades Union Congress opens, Opera House, Blackpool. Two-day meeting of European Central Bankers begins, Basle. Inflation proofed "granny bonds" on sale with no age limit.

TUESDAY: Mr Michael Foot, *Labour Party Leader, speaks at* TUC conference. UK bank's eligible liabilities, reserve assets, reserve ratios and special deposits (mid-Aug). London clear-

WEDNESDAY: Central government transactions (including borrowing requirement) (Aug). UK balance of payments (2nd quarter). *Mr Menachem Begin,* Israeli Prime Minister, begins two-day discussions with President Reagan in Washington.

THURSDAY: *Deputy leader*ship of the Labour Party debate at fringe meeting of TUC conference, Pavilion Theatre, Blackpool. President Francois Mitterrand of France begins to-day talks in UK with Mrs Margaret Thatcher.

FRIDAY: *Building Societies'* figures (Aug).

UK COMPANY NEWS

Cattle's £0.13m in profit midway

FOR THE half year to June 30, 1981, Cattle's (Holdings), the financial services, retailing, merchandising and insurance broking group, has recorded a pre-tax profit of £134,000, on turnover of £29.2m. This compares with a loss before tax of £285,000 on £33.4m turnover for the six months to September 30, 1980.

Because the company has changed its financial year-end, the last accounts were for the nine months to December 31, 1980 and in this period a £235,000 pre-tax profit was made.

At the time of the report it was indicated that while considerably improved results could be anticipated in the current year, the first six months' trading would not be a reliable guide to the full year's results.

However, the rate of improvement has been slower than expected, chiefly because the trend in the charge against profits in respect of slow paying accounts, experienced in the final quarter's trading last year, has not been maintained in the first half of 1981.

The first-half experience has not lived up to expectations, with the charge against profits in the six months running at the same annual rate as in the previous nine months period.

Although the second-half of the year produces the bulk of profits, the company says the full year's profits will depend on the extent to which the charge against profits in respect of slow paying accounts is arrested.

After-tax profit for the half year came out at £117,000 (£137,000 loss) and with no extraordinary and exceptional items this time (£418,000), an interim dividend of 0.2p (nil) per share is being declared, costing £57,000. The company hopes that second-half results will enable it to recommend a substantially higher final (0.2p last time).

A pragmatic approach is being taken to all activities within the group and profitability or prospects for a rapid return to profitability will determine whether certain activities are to be continued. Most of the problem areas have been tackled with determination, but there is still room for improved efficiency, which will reflect in due course in considerable improvement in profit, the company states.

Prevailing economic circumstances have resulted in the level of turnover stabilising which, coupled with the planned reduction in activity of the hire purchase subsidiary, has resulted in bank borrowings and other current liabilities showing a decrease of £4.4m since December 31.

Bank borrowings are now less than 2.1 times net shareholders' funds, against a gearing factor of 2.5 a year ago.

The hire purchase subsidiary has returned to profit after last year's problems. Rosebys, the retailing subsidiary specialising in household textiles, had a disappointing second quarter despite a 20 per cent rise in turnover. A marked improvement, however, is expected in the second half.

The two computer subsidiaries have been disposed of and trading losses from these have thus been eliminated from the group.

● comment

Cattle's interim results are rather disappointing. The main reason was the need for continued substantial provisions against slow-paying accounts as an increasing number of its customers were thrown out of work. The company operates in the heart of industrial England, Scotland and South Wales. As many as 35 per cent of its customers at one branch are now unemployed and with the jobless total still rising it seems likely Cattle's will have to make further hefty provisions. The 12.6 per cent decline in turnover was accounted for by less hire purchase business as a result of tightening up of the underwriting parameters in the light of last year's costly irregularities. Despite the lower volume of h-p business this division has swung firmly back into the black. A question mark hangs over the future of the group's retail activities which collectively made a pre-tax loss at the midway stage of about £75,000. The second half is traditionally much better and this time will be aided by the disposal at net asset value of the two loss-making computer subsidiaries. Even so Cattle's will do well to top £1m putting the shares at 28p on a prospective p/e of 17, which apears to reflect a rather optimistic view of the speed of its recovery to 1978 earnings. Assuming a final dividend of 1.1p the shares yield nearly 7 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Carlton Inds. ....int.	2.5	Nov 2	4	—	12
Cattle's (Holdings) int.	0.2	Oct 16	Nil	—	0.2§
Gold Mines Kalgoorlie	7.5‡	Oct 30	5	32.5	13
Sekers Intl.	0.1	—	1.55	0.1	2.3

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Australian cents throughout. § For nine months.

Pilkington UK side still in loss

Mr Antony Pilkington, chairman of Pilkington Brothers, told shareholders yesterday that UK trading conditions were "turning out to be even worse than expected."

Speaking at the annual meeting in St Helens yesterday, he said that the group's UK operations continued to trade at a loss, forcing the company to reduce the numbers employed at a faster rate than had been anticipated. This acceleration coincided with a planned reduction in jobs due to modernisation programmes.

The chairman said the costs associated with redundancies would therefore be "very significantly" increased in the present half year.

"The demand for our products has remained very poor and shows no present indication of improvement," said Mr Pilkington. He added that the poor demand for British manufactured products was not confined to this country and export orders remained hard to obtain.

He said that overseas operations were much healthier, although the downturn in Europe would affect the performance of Flachglas this year.

The Canadian government has approved the sale of 51 per cent of Pilkington Glass Industries to Ford Motor, a move which should widen the company's trading base in North America.

The group has also received approval from the Indian government to sell part of its shareholding in Hindusthan Pilkington Glass Works and it now becomes an associate company.

Pilkington's shares dropped yesterday 27p to 328p.

BIDS AND DEALS

Charcon disputes Wettern acceptance to rival bid

Charcon, the Charterhouse Group subsidiary which is bidding for the Mono division of Wettern Brothers, last night demanded a special shareholders meeting after learning that rival bidder Marshalls (Halifax) had won irrevocable consent to its—now lower—offer.

Yesterday, Wettern disclosed that Marshalls had offered to increase its original offer of £1.3m for Mono—which had been topped by Charcon's bid of £1.65m—to £1.7m.

However, Marshalls had made the higher offer only on condition that that bid was kept secret until irrevocable acceptances had been obtained from shareholders representing over 50 per cent of Wettern's voting power.

The new terms were unveiled yesterday when Marshalls announced that it had 50.6 per cent of the votes behind it.

Within hours Charcon had raised its first bid to £1.95m and called an EGM so that shareholders could assess both offers.

Wettern's board claims that it accepted Marshalls' secrecy condition after approaching major shareholders because to do so was in "the best interests of shareholders."

Mr Bruce Fireman of Charterhouse, however, last night claimed that Wettern knew that if Marshalls made a higher offer Charcon was prepared to reconsider its offer.

"We sent them a letter on August 14," Mr Fireman said, "which asked them to supply us with any details of a higher offer or one on better terms so as to allow our client the opportunity to better the other offer."

It was not clear last night whether the contents of that letter had been disclosed to shareholders when they were approached about Marshalls' new offer and its secrecy condition.

Kleinwort Benson, which has advised Wettern over the bids, and has recommended acceptance both of Marshalls' first bid and its most recent, was not available for comment last night. The Kleinwort Benson Investment Trust holds 6 per cent of Wettern and is thought to have accepted the Marshalls offer.

See Lex

At least £9.2m for Securicor

Securicor Group has made a pre-tax profits forecast of not less than £9.2m for the year ending on September 25. Profits before tax last year were £7.9m.

The forecast is contained in a circular sent to shareholders yesterday which gives details of the group's acquisition of R. J. Bown and the acquisition by Security Services, the 51 per cent owned quoted subsidiary of Securicor, of RCA Security Systems.

Securicor made a pre-tax profit of £4.1m in the six months to March 27 and Mr Peter Smith, the chairman, says present indications are that the progress disclosed at the interim stage will be maintained for the full year.

However, the circular notes that the profit forecast assumes that there will be no material changes in interest or exchange rates nor any significant disruptions through industrial disputes or failure to obtain goods from suppliers.

Bown, together with its wholly owned subsidiary, Treforest Motors, was acquired by the group for £1.8m through the issue of 950,238 A ordinary shares (non-voting) of Securicor.

Bown and Treforest operate a Ford vehicle dealership in the Pontypridd and Caerphilly area of South Wales. The Securicor board believes the acquisition is a logical step in its diversification and expansion programme. In 1975 the group acquired Chiswick Garage, which provided it with a Ford main dealership.

Bown and Treforest had a pre-tax profit of £264,000 in the year to December 31, 1980, compared to £391,000 the previous year. Net assets were £2,314,000.

The acquisition of RCA Security Systems, an electronic fire and burglar alarms systems company, cost £4m, including the repayment of Systems' indebtedness to its group companies.

This was met by £2,170,588 in cash, by the issue of unsecured loan notes totalling £750,000 and by the issue of 700,000 A ordinary shares (non-voting) of Services.

RCA Security Systems made a pre-tax loss of £750,000 in the year to December 31, 1980, after providing for bad and doubtful debts of £986,000. In 1979 it made a profit of £373,000. Net assets acquired by Services are £3,812,000, made up of £1,741,000 in the balance sheet and £2,071,000 due to repayment of amounts due to group companies.

The circular says the Securicor board considers the combination of Systems with the group's existing alarms division will, after a period of integration, produce worthwhile economies of scale.

Sharp fall at Carlton to £2.94m

THE CONTINUATION of severely depressed trading conditions has led to a sharp fall in pre-tax profits of Carlton Industries from £6.04m to £2.94m for the first half of 1981, on sales down from £57.24m to £46.53m.

The company, which is controlled by the Hawker Siddeley Group, says it is not practicable to forecast the results for the year, although, traditionally some improvement is normal in the second six months.

The battery division has been the most seriously affected by the conditions which continue to be very difficult, particularly in the UK. Profits from this side dropped some £2m to £2.71m for the half year, on sales of £32.34m (£39.82m).

Whisky sales fell to £9.92m (£13.09m) while profits were £0.34m lower at £2.31m. Sales from other activities were down slightly from £4.33m to £4.27m and including holding company overheads, there was a deficit from these operations of £92,000 (£27,000).

Stated earnings per 25p share declined from 17p to 7.3p and the net interim dividend is being reduced from 4p to 2.5p—last year's total payout was 12p on £12.24m taxable profits.

The first-half share of associate's profits was £999,000 (£1.33m), and although interest charges decreased from £2.6m to £2.4m, redundancy costs were higher at £579,000 (£12,000).

Lowland Drapery's optimism

TAXABLE LOSSES of Lowland Drapery Holdings increased from £112,500 to £124,200 in the first half of 1981, on turnover of £1.95m against £2.37m. In 1980 pre-tax losses of £287,529 were incurred.

The interim dividend of this wholesale and retail textile warehouseman is again being missed—the last distribution was made in 1979 with a single payout of 1.5p net per 25p share.

However, Mr M S Ross—who joined the board and became chairman on May 15—says the likelihood of an early return to profits has been greatly enhanced by "far-reaching changes" which have already substantially improved liquidity.

In May, S. Ross and Company was purchased for £1m in exchange for new shares in Lowland. The Ross results for the period May 15 to June 30 have been included in the figures.

Of the group's two small manufacturing units in Scotland, one loss maker was closed and the other was completely reorganised. A surplus property was sold for £105,000.

The Departmental structure of the Scottish wholesaling activities was subjected to a thorough review and is being reorganised to meet better today's market conditions.

Operational and monetary controls were reviewed and are being improved.

Shortly after the period end, the personal finance business of R. Watson and Sons was sold for around £400,000.

The directors have decided to alter the year end to May 31, which will make it coterminus with that of S. Ross and Company. The next set of accounts will therefore cover a 17-month period to May 31 1982 and it is proposed to release a further set of interim results covering the period to November 30 1981.

The losses before tax were struck after depreciation of £44,300 (£33,100) and interest charges of £60,600 (£85,800). There was a tax credit of £4,200 (nil) after which extraordinary items of £161,600 (nil) were debited.

These comprise a provision for losses arising on the sale of R. Watson and Sons together with expenses incurred in connection with a factory closure and the substantial reorganisation of another.

Profit for Robinson Brothers

IN THE six months to July 4, 1981 Robinson Brothers (Ryders Green) pulled out of taxable losses of £212,000 in the second half of last year with first half profits of £480,000 against £435,00 last time. Turnover was £1.07m down at £5.51m.

Mr F. D. Robinson points out that while the figures show a small improvement over last year's first half and a substantial increase over the second, more than one-third of the pre-tax profits are accounted for by sales of investments.

Trading profit of this "close" company which manufactures organic chemicals continues to be severely limited by poor demand and extremely competitive prices.

Following the declaration of redundancies at the beginning of the year, overheads continue to be subject to rigorous control.

MAI extends Letraset bid 'pending forecast'

Mills and Allen International has yet again extended its all-paper takeover bid for Letraset, the graphics company, despite the higher cash offer announced last week by Esselte of Sweden.

The MAI bid, first announced on July 8, was due to close yesterday after already being twice extended. Now due to close on September 25 it is worth about 114p a Letraset share and values the company at £49m. Esselte's cash offer of 140p a share values the company at about £60m.

MAI owns 9.9 per cent of Letraset shares, bought during a raid in early July, and Hambros Bank, its adviser, which acquired a further 5 per cent in its own right the same day, has accepted MAI's offer. With only 0.9 per cent acceptances by other shareholders, MAI claims 15.8 per cent of Letraset's equity.

MAI said that the fresh extension of its offer had been made "pending further developments, and in particular the publication of Letraset's 1981-82 profits forecast."

Letraset promised a profit forecast and advice to shareholders earlier this week when it suggested they take no action on either MAI or Esselte offer. Letraset, which has strongly opposed the MAI bid, said that its offer was "clearly totally inadequate" following Esselte's bid.

Letraset shares closed yesterday at 143p, down 4p on the day, while MAI closed at 485, down 3p.

It was announced yesterday that Allied Hambro Recovery Trust had sold 25,000 Letraset shares.

LEVEX SALE

Levex has agreed to [illegible] textile printing subs [illegible] Maharajh, its managing director, for a total consideration of £400,000.

Net assets of the [illegible] amount to £596,130, and the profits before tax for 1980 were [illegible].

The deal is subject to shareholders' approval.

Uneven year for Aeronautical

THE PATTERN for the current year at Aeronautical and General Instruments will be uneven, with the second half showing a substantially higher rate of turnover than the first, and Mr J. A. Dearlove, the chairman, tells members he does not expect the initial six months to be a true reflection of the probable results for the year as a whole.

He says in his annual statement that as the build-up of stock and work in progress continues, due to the projected increased turnover, there will be further deterioration of the company's cash position, until the early part of the 1982/83 year, when AGI should return to a position of liquidity.

"In order to maintain profit and profit growth at a level which I believe the shareholders would find acceptable, I am endeavouring to balance the longer term investment with economies in operating expenditure."

Mr Dearlove explains that urgent action is now being taken to increase operating profits by more advanced production methods and by better systems of controls.

In the medium and longer term the directors, he says, are still confident about prospects, particularly in the field of electronic payphones, which they hope and believe a very large potential market exists for some of the company's products.

The chairman says that he would "like to see an increased participation in defence business by AGI and the continuation of the successful development in communications."

As reported on July 28, on turnover of £7.42m (£5.01m) taxable profits for the year ended March 31, 1981 moved ahead from £500,956 to £757,995, and the dividend is effectively doubled to 3.5p (1.75p) net per share.

The group balance sheet shows fixed assets of £1.73m (£1.34m), net current assets amounting to £2.46m against £1.49m, and shareholders' funds of £3.98m, compared with £2.68m. There was a £472,965 increase (£476,374 decrease) in cash resources, as at March 31.

Gold Mines of Kalgoorlie

INCLUDING INVESTMENT and other income of A$1.18m, against $158,000 pre-tax profits of Gold Mines of Kalgoorlie increased from $7.04m to $7.76m for the year ended June 23, 1981.

The dividend is boosted from 13 cents to 32.5 cents per share with a final payment of 7.5 cents payable October 30 — two interims of 12.5 cents have already been paid.

After income-tax of $535,000 (nil) the attributable balance came through at $7.23m compared with ($7.04m) — at halfway it was $4.73m ($3.24m) at this level.

Inchcape sees acceptable result

TRADING SO far indicated that results for the current year of Inchcape would prove acceptable, Lord Inchcape, chairman, told the annual meeting.

He also denied that the company was to make a rights issue. While the board reviewed capital structure from time to time, it had so far "never seemed appropriate" to recommend a rights issue, he said.

Commenting on the current year, Lord Inchcape said the recession was now affecting South East Asia and Hong Kong, where there had been a slowing down in the first half. In other areas, particularly the UK, readjustments made last year to meet the reduced levels of business were beginning to have "the desired effect."

In Malaysia and Singapore business had been hit by recession, but present indications were of an improvement from May onwards.

In Hong Kong and China results were satisfactory, although motor sales were not at the same high level as last year.

And in the UK, Lord Inchcape believed the worst was over. "We do not expect a speedy recovery but trading conditions should improve gradually to the benefit of our motor and other activities."

The chairman also commented on the speculation surrounding the group's Toyota agency in South East Asia. Relations with Toyota were "excellent," and the new distribution arrangements for Toyota vehicles would ensure continued involvement of the Inchcape Malaysia group in the sales of Toyota.

In east and west Malaysia, it was expected that the new arrangements, which apply only to Malaysia, should not materially affect Inchcape Berhad's future profits.

BRITISH ENKALON CANCELLED

The Stock Exchange listing of British Enkalon was cancelled yesterday at the request of the company. The troubled fibres group suspended its shares on July 15 at 5p. The shares, issued at 25p par value, have ranged no higher than 7p since January.

Akzo, the Dutch chemical group, owns 84 per cent of the shares.

Deborah edges forward

AGAINST ADVERSE trading conditions, taxable profits of Deborah Services edged up 5 per cent from £1.49m to £1.57m for the year to March 31 1981, after showing a 2 per cent rise to £0.76m at mid-term. Full-time turnover increased from £21.07m to £26.91m.

After higher tax of £486,449 (£296,351) stated earnings per share fell from 16.08p to 14.28p. A final dividend of 3.025p raises the total payout from 3.85p to 4.235p. The company's shares are traded in the market made by M. J. H. Nightingale and Co.

The scaffold contracting side continued to make profits, having had the advantage of long-term contracts, some of which are now beginning to run down. However, the company is very hopeful of obtaining further long-term contracts, for which it is currently tendering.

The building equipment division is suffering from the general downturn in the hire of plant and equipment because of lack of demand, but the insulation division has continued to improve profitability.

Results due next week

The half-yearly results on Thursday from the Prudential Corporation are expected to show the continuing saga of profits from its buoyant life operation trying to match ever increasing losses from non-life business. The Pru's main overseas non-life operations are in Canada, Belgium and Australia, countries in which conditions can only be described as chaotic, while its UK business, the most profitable territory for other insurance groups, is still producing heavy losses in motor and property. Overall underwriting lossses could rise by half from £12m to £18m and only higher investment income and improved life profits will enable net profits to inch ahead from £21m to £22m. Shareholders can expect a 12½ per cent increase in the interim payment from 4p to 4½p even though the Pru has little to fear from a predator.

Last year, 75 per cent of Bowater's profit came from North America. Newsprint markets have been weakening, stocks are at record levels and a lot of new capacity is coming on stream in the next couple of years. But Bowater interim profits, which are to be published on Wednesday, are likely to show a significant improvement, perhaps to £50m from £44.7m last time, largely because of a favourable movement in the dollar-sterling exchange rate but also thanks to the sale in April of the loss-making Ralli and the closing of Ellesmere Port operations last year. Although net borrowing rose only slightly last year, shareholders' funds were down by £30m as a result of the disposals and there has been some speculation this week that Bowater may be the next company to make a big rights issue.

The market is expecting continued signs of recovery from Reckitt and Colman, the household goods and pharmaceuticals group, when it unveils its interim figures on Tuesday. Analysts were badly wrong-footed last time round as they failed to detect the second-half revival in trading profits. This time the estimates range from £28m to £32m for the six months to June 30 1981 as against £22.76m in the comparable period. Most of the increase will have come from the UK, where profits were decimated at the midway stage last year, but Australia and North America are also expected to have turned in a decent performance. As the company translates its overseas profits on the basis of average rates of exchange the recent weakening in sterling will have little impact on the interim figures but should boost overseas earnings in the second half. Most analysts are going for an increased dividend for the full year of around 10 per cent and some of them think part of this rise may be paid in the interim.

Peninsular and Oriental Steam Navigation, which is due to report its interim figures on Wednesday, is posing rather a puzzle for market analysts. All seem to agree the results will be considerably worse than the £12.9m pre-tax profit for the six months to June 30, 1980 but there is a wide divergence of views on just how bad trading will have been. The most pessimistic has estimated a loss, while at the other end of the scale one broker thinks profits will top £9m. Most brokers are going for between £6m to £4m but even some of these feel profits may well be lower. In May P and O warned the year had started badly with the seamen's strike and strikes by port workers in Southampton. The shipping activities, including Overseas Containers, will be sharply down. There is little sparkle on the oil front either with decontrol of U.S. crude prices further weakening that market and a downturn is expected from UK oil-trading. There has been nervous trading in the shares ahead of the results despite the fact a maintained dividend appears safe and most analysts are forecasting a strong second-half performance.

BICC, which reports interim figures on Wednesday, is expected to show an advance to £37m-£38m for the year ended June 30, against £34m last time. A seasonal pick-up should further boost second-half figures, leading to full-year expectations of £82m-£90m, which the higher figure dependent on continued help from a sickly pound. While the UK cable margins are improving, performances in overseas divisions are providing the bulk of BICC's growth this year. These divisions, buoyed by Australia and South Africa, should account for a third of turnover this year and more than 60 per cent of profits. The company's balance sheet has strengthened considerably over the past three years and lends considerably scope for the possibility of cash acquisitions this year. The dividend is expected to rise in line with profits, probably to 3.3p-3.4p from 3.03p last time and 10.4p for the final.

Analysts are a bit nervous about Turner and Newall's interim figures, due Thursday. The group slipped into losses in the second half of last year but analysts are now hoping for about £4m in pre-tax profits for the six months ended June 30 against £12.2m last time. The nervousness is not so much over the figures, but over the group's statement which should indicate whether the T and N's extensive rationalisation programme in the UK will work through to a full recovery in the year. If this is the case, the market expects full-year pre-tax profits of £15m to £16m, achieved largely through the benefits of the cost saving programmes. The group's overseas divisions continue to be profitable, leading the market to hope for at least a maintained dividend for the year of 6p.

Among other companies reporting their interim figures this week are IMI and Costain Group (Tuesday), House of Fraser (Wednesday), European Ferries and Sedgwick Group (Thursday).

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Cantors	Friday	0.825	1.475	—
Clark (Matthew) & Sons Hldgs.	Thursday	2.0	5.5	2.0
F & C Eurotrust	Tuesday	—	1.45	—
FMC	Tuesday	—	6.0	—
Harrisons Malaysian Estates	Wednesday	2.5	5.5	2.5
Haynes Publishing Group	Friday	2.0	5.0	3.0
Haywood Williams Group	Thursday	2.1	2.8	—
Land Investors	Monday	0.2	0.8	0.2
Martin (R. P.)	Thursday	1.5	3.0	2.75
Maynards	Thursday	1.875	6.875	3.125
Mountleigh Group	Thursday	—	3.0	1.0
Standard Industrial Group	Friday	0.9	0.95	0.9
Stewart Plastics	Thursday	1.0204	1.722	1.0204
INTERIM DIVIDENDS				
Abbey Panels Investments	Thursday	1.3	0.75	
Allen Harvey & Ross	Friday	10.0	13.0	
Appleyard Group of Companies	Friday	—	—	
Ayrshire Metal Products	Tuesday	2.0	—	
Banro Consd. Industries	Wednesday	0.575	0.425	
Bestobell	Thursday	5.15	7.1	
BICC	Wednesday	3.03	6.4	
Biddle Holdings	Wednesday	2.4	6.8	
Blackwood Hodge	Thursday	1.0	1.5	
Bowater Corporation	Wednesday	4.25	7.25	
Bridon	Thursday	2.3	1.2	
BTR	Thursday	3.5	3.66667	
Claverhouse Investment Trust	Monday	2.25	4.15	
Collins (Wm.) & Sons (Hldg.)	Wednesday	0.5	2.5	
Costain Group	Tuesday	4.0	6.0	
Dorada Holdings	Tuesday	2.1	—	
EIS Group	Wednesday	1.072	3.078	
English & New York Trust	Tuesday	1.75	2.3	
European Ferries	Thursday	1.725	3.45	
Fisher (James) & Sons	Wednesday	1.0	1.15	
Friedland Doggart Group	Thursday	1.85	2.87	
Hepworth Ceramic Holdings	Thursday	2.25	3.0	
Highcroft Investment Trust	Thursday	1.0	1.5	
Home Counties Newspapers	Friday	1.75	4.75	
House of Fraser	Wednesday	2.0	4.6	
Huntleigh Group	Wednesday	0.7	0.8	
IMI	Tuesday	2.0	2.5	
Lead Industries Group	Thursday	3.7	5.86	
London & Manchester Assurance	Wednesday	3.5	7.0	
London United Investments	Tuesday	4.0	5.0	
Lyon & Lyon	Friday	1.5	4.5	
Magnolia Group (Mouldings)	Thursday	0.6	1.6	
McLaughlin & Harvey	Friday	1.8	3.45	
Metal Closures Group	Monday	2.2	3.2	
Midland Industries	Tuesday	1.1	1.5	
Montford (Knitting Mills)	Wednesday	1.0	1.0	
Nurdin & Peacock	Tuesday	0.9375	1.3125	
Peninsular & Oriental Steam Navgn.	Wednesday	3.0	5.0	
Pontos	Tuesday	1.4	—	
Petrocon Group	Tuesday	—	—	
Pogels Holdings	Wednesday	4.75	7.5	
Pritchard Services Group	Wednesday	1.0	2.5	
Provident Financial Group	Tuesday	2.42	4.6	
Prudential Corporation	Thursday	4.0	7.0	
Reckitt & Colman	Tuesday	3.5	5.0	
Rosedimond Investment Trust	Thursday	3.5	3.0	
Royal Worcester	Wednesday	2.9	5.7	
Scottish Eastern Investment Trust	Monday	1.5	1.75	
Sedgwick Group	Thursday	2.0	3.0	
Sherna Ware	Tuesday	1.4	2.0891	
Standard Chartered Bank	Tuesday	12.0	20.5	
Thomas Tilling	Wednesday	3.5	4.0	
Thurgar Bardex	Thursday	0.3	0.6	
Turner & Newall	Thursday	3.0	3.0	
United Biscuits (Holdings)	Thursday	1.87	2.5	
Wilson (Connolly) Holdings	Wednesday	1.0	1.25	
Yorkshire Chemicals	Thursday	—	—	
Yule Catto	Thursday	0.8	1.2	
INTERIM FIGURES				
Beattie (James)	Tuesday			
Botswana RST	Thursday			
Weeks Petroleum	Tuesday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue.

Sekers £0.8m loss but showing recovery

INCLUDING INTEREST charges, up from £378,000 to £658,000, Sekers International has fallen £798,000 into the red for the year ended March 31 1981, compared with profits of £401,000. Turnover moved ahead from £8.68m to £11.58m.

And after tax, and an extraordinary debt of £420,000 (nil)—redundancy, rationalisation costs and stock write-downs—the loss came through at £1.19m at the attributable level, against a £325,000 surplus.

In the interim report, when the loss was £68,500 (£217,900 profit), it was indicated that those areas which were associated with the retail market were being affected by the general economic conditions. Reduced demand had brought about severe pressure on margins, a resulting high stock investment and, increased borrowings and interest charges, particularly in the dress division.

Mr Gordon Hay, chairman, says that the directors brought into effect, during the second-half, plans to severely curtain its financial exposure in these areas. These plans have been substantially completed since the year end, but could not be accelerated sufficiently in the remainder of the year to avoid very significant losses.

However, the actions taken have been effective, he states, and, although losses continued into the start of the current year, the group is at present trading profitably.

As a result of stock reduction and the sale of surplus assets, a total reduction of £1.2m in borrowings is expected by the end of 1981. In addition, the company has negotiated partial refinancing of its overdraft with a five-year term loan of £2m from the group's bankers.

Taking into account the benefits which will be achieved from action taken, the directors recommend a nominal dividend of 0.1p per 10p share for the year — there was no interim payment. Last year's total distribution was 2.3p.

Net tangible assets, as at March 31, amounted to £4.47m (£5.65m) or 45.6p (57.7p) per share. Loss per share is given as 7.82p, against earnings of 4.12p.

In the dress fabrics division stock levels were reduced, but staff was cut by 20 per cent. After extraordinary costs this side incurred £650,000 losses, although it is expected to make a positive contribution at the trading level in the current year.

Retail demand for furnishing fabrics continued to decline, Mr Hay states, and as a result of rationalisation, personnel was reduced by 120 people (50 per cent). Contract sales remained stable, however, and have increased in the current year especially in the Middle East.

Prior to acquisition, which took place on January 4 1980, David Evans' silk printing company was losing £200,000 per annum. "We introduced a new management structure, reduced personnel by 60 people (30 per cent) and concentrated on the higher quality segment of the market," says the chairman.

A conditional contract for the sale of land at Crayford in Kent has been signed for £550,000, of which it is intended to reinvest £300,000 in new plant. This will effect a cost saving of £50,000 per annum, he states, and the unit will be profitable by the second half of the year.

The David Evans weaving plant of Vanners Silks has been a substantial profit earner and remains so in 1981-82. The directors intend to implement a substantial investment programme in this sector, which will be financed by further realisation of property assets.

SPAIN

Sept. 4	Price %	+ or −
Banco Bilbao	388	+12
Banco Central	393	+3
Banco Exterior	415	
Banco Hispano	341	
Banco Ind. Cat.	120	
Banco Santander	398	+1
Banco Urquijo	247	+7
Banco Vizcaya	400	+4
Banco Zaragoza	283	+3
Dragados	217	
Espanola Zinc	76	−1
Fecsa	74	+0.3
Gal. Preciados	63	−2
Hidrola	86.2	−0.5
Iberduero	59	
Petroleos	128.7	+0.2
Petroliber	83	
Sogefisa	54	
Telefonica	86	+0.5
Union Elect.	78.7	−0.3

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Following the poor response to its original *75p per share bid*, C. H. Beazer, the property development and construction group, raised its cash offer for Westbrick Products, the Exeter-based brickmaker, to 87p. The new offer values the latter at £3.7m. The revised terms are 435p cash for every five Westbrick shares or, at shareholders' election, two Beazer shares plus 200p cash. On Thursday, Westbrick announced that it was in discussions with a third party.

Wavin Plastics, the plastic pressure pipe company jointly owned by Shell Transport and a Dutch water concern, which bought a 4.7 per cent stake in Durapipe in a dawn raid last November, came back on Tuesday with a full bid for the Company. The terms are 27p per share cash and value the loss-making plastic pipe manufacturer at £2.7m.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Amal. Power	140*	136	109	25.61	Northern Engng.
Durapipe	27*	26	19	2.65	Wavin Plastics
Harris & Sheldon	56*	52	32††	22.26	Otis Elevtr. (UK)
Hirst & Mallinson	38½	31	30	1.99	Assoc. Brit. Eng.
Law Land¶¶	121§	120	99	41.35	Churchbury Ests.
Letraset	114	143	87	49.07	Mills and Allen
Letraset	140*	143	140	59.86	Esselte AB.
Moss (Robert)	32*§	38	20	1.66	Orchard Holdings
Ofrex	190*	190	138	37.74	Gallaher
Paringa	80*	83	72	8.64	Apollo Int. Mines
Provident Life	320*§	334	222	11.34	Winterthur Swiss
RCF	24*§	25	18	1.94	Bardsey
Ruo Estates	58*§	57	58	0.79	E. Produce and Laurie Plantatns.
Tricoville	107*	103	84½	4.28	Taurus Vhcl. Lsg.
Unochrome Inds.	25*§	24	15½	2.93	Eastern Produce
Viners	2*	15††	15††	0.12	*Consortium*
Westbrick Prods.	87*	91	85	3.73	Beazer (C. H.)

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 4/9/81. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Barget Group	June‡	108	(178)L	2.6	(—)	1.0	(—)
B.E.T.	Mar.	60,790	(70,930)	26.2	(24.3)	7.57	(7.57)
Bogod-Pelepah	Mar.	192	(458)	2.0	(2.0)	0.4	(0.59)
Brown Bros. Corp.	June	668L	(4,160)	—	(8.8)	—	(2.1)
Charnos	Dec.	545	(1,100)	28.8	(42.0)	1.06	(1.06)
Compco Hldgs.	Mar.	334	(277)	8.9	(8.9)	1.95	(1.6)
Cooper Inds.	Apr.‡	1,030L	(726)	—	(1.4)	0.5	(1.25)
Copson (F.)	Apr.	192	(243)	3.8	(3.3)	1.4	(1.2)
Crouch Group	Mar.‡	490	(693)	5.5	(15.5)	4.4	(4.4)
Diploma	June	5,190	(7,080)	10.8	(11.8)	3.8	(3.8)
Douglas (Rbt. M.)	Mar.‡	3,050	(3,270)	35.7	(18.6)	5.0	(4.5)
Gresham Inv. Tst.	Mar.	1,790	(1,470)	6.8	(5.6)	3.3	(3.0)
Hanover Invs.	Feb.‡	233	(189)L	1.9	(—)	1.85	(1.85)
Linfood Hldgs.	Apr.	8,920	(10,220)	15.2	(22.6)	10.0	(11.0)
ML Holdings	Mar.‡	1,140	(1,030)	31.1	(37.3)	7.0	(7.0)
Mining Supplies	May‡	2,380	(3,310)	11.8	(8.2)	2.0	(2.0)
Pullman (R & J)	Apr.	1,820	(2,320)	7.0	(8.7)	3.81	(3.81)
Raybeck	Apr.	1,520	(5,580)	2.0	(9.0)	2.23	(4.3)
Stewart Nairn	Mar.	167L	(15)	—	(0.3)	—	(0.05)
Waring & Gillow	Mar.	7,900	(3,800)	29.7	(12.8)	5.5	(5.5)
Whitworth Elec.	Mar.	716	(614)	17.7	(15.6)	1.51	(1.31)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Armitage (Geo.)	June	28	(502)	2.5	(2.5)
Arnott	July	1,110¶	(1,020)¶	4.5	(4.0)
Babcock Intl.	June	3,440	(6,100)	3.4	(3.4)
BP	June	596,000‖	(876,000)‖	6.25	(6.25)
Brammer (H.)	June	2,760	(3,230)	2.0	(1.8)
Britannia Arrow	June	2,010	(955)	0.7	(—)
British Vending	June	469L	(67)L	—	(—)
British Vita	June	4,100	(3,670)	2.7	(2.6)
Cdbry. Schweppes	June	27,500	(21,000)	1.3	(1.2)
Cement Rdstone.	July	14,020¶	(13,540)¶	2.3	(2.1)
Charterhouse Grp.	June	10,330	(8,760)	1.93	(1.75)
Church & Co.	June	571	(882)	2.5	(2.5)
Crouch (Derek)	June	1,230	(1,180)	1.63	(1.63)
Dewhirst (I. J.)	July	1,080	(911)	0.4	(0.34)
Dickie (James)	Apr.	10	(107)	1.5	(2.44)
Elys (Wmbldn.)	Aug.	22	(24)	1.0	(1.0)
Gibbs & Dandy	June	122	(184)	—	(—)
G.R.E.	June	36,300	(36,000)	8.75	(6.0)
Invergordon Distl.	June	1,810	(2,110)	1.5	(1.5)
Kellock Trust	June	101	(98)	—	(—)
Kode Interntl.	June	603	(662)	2.32	(2.32)
Macfarlane Grp.	June	731	(704)	1.7	(1.7)
Manor National	June	125L	(21)L	—	(—)
Marchwiel	Apr.	3,840	(440)	2.4	(2.4)
Martin Black	June	282L	(76)L	—	(—)
Nu-Swift Inds.	June	600	(640)	0.93	(0.84)
Phoenix Assur.	June	16,900	(16,900)	7.3	(6.5)
Plessey	July	24,960†	(18,650)†	—	(—)
Quick (H. & J.)	June	156L	(103)	0.53	(0.53)
Sharpe & Fisher	June	413	(581)	0.55	(0.55)
Stone-Platt Inds.	June	3,520	(2,480)	—	(—)
Sun Alliance	June	41,100	(26,400)	19.5	(15.0)
Wagon Finance	June	575	(405)	0.63	(0.63)
Wedgwood	June	1,290†	(176)†	—	(—)
Weir Group	*July*	*3,080*	*(2,420)L*	0.1	(—)
Woodward (H.)	Mar.	19	(196)	0.5	(0.5)

(*Figures in parentheses are for corresponding period.*)

* Dividends shown net except where otherwise stated. † First quarter figures. ‡ *Corrected from 29/8/81.* ¶ *In Ir£.* ‖ *Net income.* L Loss.

Rights Issues

Property Security Investment Trust—Is raising £5.96m by way of a one for four rights issue at 85p per share.

Trusthouse Forte—Is raising £87.17m by way of a rights issue on the basis of one for four at 112p per share.

Offers for sale, placings and introductions

Aluminium Company of America—Is to be listed on the London Stock Exchange.

Home Video Holdings—Is placing 220,000 ordinary £1 shares at 115p a share.

Nippon Electric—Has applied for a quotation for its common stock on the Stock Exchange.

Portsmouth Water Company—Is offering for sale by tender £6m of 10 per cent redeemable preference stock, 1986 at par.

Better links with computer users

David Fishlock and **Raymond Snoddy** report on the British Association meeting at York

IT WAS essential that users participated in the design of new technology systems for the office and factory, but it was also an exceptionally difficult thing to manage effectively, the annual British Association meeting at York was told yesterday.

Dr Ken Eason of Loughborough University of Technology described a novel way of designing computer-based information systems with the gradual participation of the user, *so that they grew slowly* from small systems to big ones, *while retaining the flexibility* to change.

Pilot systems, user design exercises and user support and evaluation procedures all helped to promote learning and adaptation, Dr Eason said. "It is only by these methods that users can be given the confidence and knowledge to exploit the potential of the new technology," *he claimed.*

He thought it was not surpris*ing that managers were wary* and unions suspicious of new technology.

Computer-based technology was potentially very flexible, but it had to be programmed to perform specific activities before it could be used by non-specialists.

All would be well as long as those activities were the ones *required by the organisation.* But if the activities which the *system* performed differed even slightly from what was required, major problems could develop. As a result, either the system would be rejected or it would be used only partly.

"Over time, as the task of *the organisation changes,* a badly-fitting and rigid system can become a major obstacle to the organisation's ability to respond to change. Far from becoming a major vehicle to facilitate change, the system can become a major source of inertia."

Dr Eason examined three ways of designing such systems. *One was a technology-led* approach, in which the user *played* no part in design. It usually led to troubleshooting once the problems became apparent.

Another way tried to compensate by involving the user in the design process. But the user needed time before *he* would be able to make an effective *contribution.* During this learning period, the system design was gradually being "frozen," leaving only a small "window" during which users might influence the design.

The third method, evolved by the Human Sciences and Advanced Technology research group at Loughborough, ex*pressly sought to give users the* time and opportunity to learn how to contribute to design by making the design process itself evolutionary. The key lay in developments in the technology, which made the evolutionary approach "an increasingly practical proposition," he said.

"The advent of microelec*tronics means* hardware is cheap and portable and that a small stand-alone system can be implemented quickly, the facilities of which can be added to later, with the possibility of linking it to other systems."

Dr Eason said that the HUSAT unit had been working with *a number of organisations* to implement design processes with such features. "We cannot claim to have developed a complete methodology, but many elements of the strategy are emerging."

Only by adopting such practices within organisations could members of the organisation acquire the confidence and *knowledge to take on new tech*nology and exploit it to the full, he said.

BASE LENDING RATES

A.B.N. Bank	12 %	Grindlays Bank	‡12 %
Allied Irish Bank	12 %	■ Guinness Mahon	12 %
American Express Bk.	12 %	■ Hambros Bank	12 %
Amro Bank	12 %	Heritable & Gen. Trust	12 %
Henry Ansbacher	12 %	■ Hill Samuel	§12 %
AP Bank Ltd.	12 %	C. Hoare & Co.	†12 %
■ Arbuthnot Latham	12 %	Hongkong & Shanghai	12 %
Associates Cap. Corp.	12 %	Knowsley & Co. Ltd	12½%
Banco de Bilbao	12 %	Langris Trust Ltd.	12 %
BCCI	12 %	Lloyds Bank	12 %
Bank of Cyprus	12 %	Mallinhall Limited	12 %
Bank of N.S.W.	12 %	Edward Manson & Co.	13 %
Banque Belge Ltd.	12 %	Midland Bank	12 %
Banque du Rhone et de la Tamise S.A.	12½%	■ Samuel Montagu	12 %
Barclays Bank	12 %	■ Morgan Grenfell	13 %
Beneficial Trust Ltd.	13 %	National Westminster	12 %
Bremar Holdings Ltd.	13 %	Norwich General Trust	12 %
Bristol & West Invests.	13 %	P. S. Refson & Co.	12 %
Brit. Bank of Mid. East	12 %	Slavenburg's Bank	12 %
■ Brown Shipley	12½%	E. S. Schwab	13 %
Canada Perm't Trust	13 %	Standard Chartered	‖12 %
Cayzer Ltd.	12 %	Trade Dev. Bank	12 %
Cedar Holdings	12 %	Trustee Savings Bank	12 %
■ Charterhouse Japhet	12 %	TCB Ltd.	12 %
Choulartons	12 %	United Bank of Kuwait	12 %
Clydesdale Bank	12 %	Whiteaway Laidlaw	12½%
C. E. Coates	12 %	Williams & Glyn's	12 %
Consolidated Credits	12 %	Wintrust Secs. Ltd.	12 %
Co-operative Bank	*12 %	Yorkshire Bank	12 %
Corinthian Secs.	12 %		
The Cyprus Popular Bk.	12 %		
Duncan Lawrie	12 %		
Eagil Trust	12 %		
E. T. Trust Limited	12 %		
First Nat. Fin. Corp.	15 %		
First Nat. Secs. Ltd.	15 %		
Robert Fraser	12 %		
Antony Gibbs	12 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 9%, 1-month 9¼%. Short term £4,000/12 months 11.85%.
† 7-day deposits on sums of £10,000 and under 9%; up to £50,000 10% *and over £50,000* 11%.
‡ Call deposits £1,000 and over 9%.
§ Demand deposits 9½%.
‖ 21-day deposits over £1,000 10½%.

LONDON TRADED OPTIONS

Sept. 4. 1630 Total Contracts. Calls 1394. Puts 236.

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP (c)	280	26	2	40	—	48	—	302p
BP (c)	300	13	580	30	104	38	—	"
BP (c)	320	6	110	20	12	—	—	"
BP (c)	330	—	—	—	—	28	15	"
BP (c)	350	4	—	10	25	—	—	"
BP (p)	320	28	—	34	1	—	—	"
CU (c)	160	17	2	20	4	23	1	165p
Cons. Gld (c)	460	68	1	80	3	100	—	521p
Cons. Gld (c)	500	36	3	68	1	80	2	"
Cons. Gld (c)	550	15	4	40	3	50	2	"
Court'lds (c)	60	5½	41	9½	51	12	—	62p
Court'lds (c)	70	2	—	5	53	7	—	"
Court'lds (c)	80	½	—	2	40	—	—	"
GEC (c)	750	57	—	99	—	124	2	789p
GEC (c)	800	33	5	60	9	92	—	"
GEC (c)	850	14	—	37	—	59	4	"
Gr'd Met. (c)	180	20	—	30	—	36	20	194p
Gr'd Met. (c)	200	9	4	19	24	24	1	"
Gr'd Met. (c)	220	3	1	11	—	15	2	"
Gr'd Met. (p)	200	10	4	14	—	19	—	"
Gr'd Met. (p)	220	28	—	28	—	30	75	"
ICI (c)	250	16	2	30	—	40	—	266p
ICI (c)	280	7	2	18	3	28	—	"
ICI (c)	300	2½	—	10	7	17	—	"
ICI (p)	250	7	17	11	2	15	—	"
ICI (p)	280	22	—	24	52	30	—	"
Land Sec. (c)	312	31	—	41	3	—	—	334p
Mks & Sp (c)	130	11	2	16	—	22	—	133p
Mks & Sp (c)	140	4	12	9½	5	16	—	"
Shell (c)	360	18	5	32	—	40	—	366p
Shell (c)	390	8	12	18	—	28	—	"
Shell (p)	390	32	1	34	—	42	—	"
Shell (p)	420	62	—	64	—	66	10	"
		November		February		May		
Barclays (c)	380	107	2	—	—	—	—	455p
Barclays (c)	460	23	18	43	—	48	2	"
Imperial (c)	60	3½	30	7	—	8½	—	62p
Imperial (c)	70	¾	10	2½	3	4	—	"
Lasmo (c)	500	60	15	87	—	100	—	522p
Lasmo (c)	600	17	16	42	—	65	—	"
Lasmo (c)	650	10	4	20	—	—	—	"
Lonrho (c)	80	7	10	10½	—	12	5	86p
Lonrho (c)	90	2½	—	5	2	7	—	"
Lonrho (c)	80	3	—	4	50	4	—	"
Lonrho (c)	90	8	—	10½	9	11	—	"
Racal (c)	420	60	5	77	2	90	—	455p
Racal (c)	460	32	1	52	2	68	—	"
Racal (p)	500	17	18	32	—	42	—	"
Racal (p)	460	25	14	32	1	38	—	"
RTZ (c)	500	65	4	112	—	—	—	532p
RTZ (c)	550	37	80	77	1	92	—	"
RTZ (c)	600	25	68	52	15	67	—	"
RTZ (c)	650	15	52	30	50	—	—	"

C=Call P=Put

Risk-illiteracy attacked by industrial professor

THERE is a greater risk of death in farming than in the chemicals industry, Professor Trevor Kletz told the association's mathematics sections in an attack on risk-illiteracy.

Professor Kletz, an ICI divisional safety adviser, and Industrial Professor at Loughborough University of Technology, said most people did not know which risks in life were the biggest.

He said driving a car for 4,000 miles, smoking 100 cigarettes, rock climbing for two hours and working in the chemical industry for a year, all posed equal risks to life.

Other equal risks included riding a *motorcycle* for 350 miles, staying at home 16 hours a day for two years, drinking 40 bottles of wine, and eating 80 lb of peanut butter.

Professor Kletz argued that expressing risks comparatively helped people to see which risks are worth worrying about and which *could be ignored.*

Public perceptions of risk, however, were often very inaccurate. Many people thought the chemical industry was dangerous and considered farming a natural, healthy industry yet farming killed more people.

If an accident to a nuclear power station were *to kill 1,000* people, it would merely put them into the same category as dams, coal mines, ships and railways," Professor Kletz said.

It was absurd, he argued, to worry about radiation from an atomic power station when people get 30 times as much radiation from bricks in their houses.

Another way of looking at risk was to assume that all sources of death were removed and that everyone would live for ever apart from the one cause of death being considered.

Someone working in the steel industry *for 2,000* hours a year would live for 6,000 years; a car driver driving 10 hours a week would live 3,500 years, a motorcyclist would live 300 years and someone smoking 40 cigarettes a day would survive only 100 years.

THE TRING HALL USM INDEX
127.4 (−1.1)
at close of business 4/9/81
BASE DATE 15/11/80 100
Tel: 01-248 5675

CORAL INDEX
Close 554-559 (−13)

Cube puzzle craze 'aids 3-D thinking'

THE RUBIK CUBE has become one of the greatest puzzle crazes of all time but is also one of the most educational toys ever invented, Dr David Singmaster, senior lecturer in mathematics at the Polytechnic of the South Bank, London told the mathematics section.

The cube gives schoolchildren, architects, engineers, mathematicians and artists *practice in three*-dimensional thinking.

"*Children who two years* ago would not have known *what* a cube was are today cheerfully playing wiht cubes, octagonal prisms, truncated cubes and cubo-octahedra," Dr Singmster said.

One family, Dr Singmaster said, had to buy a cube for each member to restore domestic tranquility,

APPOINTMENTS

New managing director for A. F. Stoddard

Mr Charles A. B. Maclean, deputy managing director of A. F. STODDARD AND CO., has taken over the managing directorship of the company. Mr Maclean is also on the board of Stoddard Holdings, the parent company.

★

Mr G. K. Turgoose has been appointed financial controller of AAH LIMITED and BRITISH FUEL COMPANY.

★

Mr Fred Hawkes, a consultant at Rentokil, has been appointed president of the BRITISH PEST CONTROL ASSOCIATION. **Mr Jonathan Peck** has become treasurer and **Miss Frances McKim** vice-president.

★

Mr Charles Rich has joined MANAGEMENT APPOINTMENTS as a consultant and director designate.

★

The Agriculture Ministers *have appointed* **Mr David Linnell** chairman of the EGGS AUTHORITY from September 14. Mr Linnell succeeds Sir Guy Lawrence who was chairman *from April 1978 to March 1981.* Mr David Linnell is president of the Institute *of* Grocery Distribution. He is a former chairman of Spar and until recently was managing director of Linfood Holdings.

★

TKM FOODS has appointed **Mr John Black** as general sales manager of the canned goods division. He will be responsible for the national accounts and field sales of TKM-Smedleys.

★

Mr Peter Bingley has been appointed *director technical of* the BRITISH STANDARDS INSTITUTION. Mr Bingley has been deputy director technical since 1977.

★

Mr Rupert Haselden has been appointed director of creative affairs for COLUMBIA PICTURES. He will be based at Columbia's London office.

★

Mr David Brett has been appointed marketing manager of *the industrial products division* of JOHNSON WAX.

Mr R. F. J. Spier, a director of London Merchant Securities, and **Mr B. R. Bensly,** a director of Hawker Siddeley Group, have been appointed directors of *CARLTON INDUSTRIES.*

★

Mr David Pritchard has been appointed marketing director of HILL SAMUEL LIFE ASSURANCE in succession to **Mr Paddy Ross** who has resigned.

★

CARGOLUX AIRLINES INTERNATIONAL has appointed **Mr Steindor Olafsson** as regional general manager for the United Kingdom and Ireland. **Mr D. H. Cunningham** has been appointed *general manager, sales and* marketing.

The LONDON COMMERCIAL BUILDING SOCIETY has appointed **Mr T. G. S. Sherburn** chairman in succession to **Mr Oliver C. Loader** who retired by *rotation.* **Mr D. R. James** was elected vice-chairman.

★

Mr Bill McAllister, group managing director, has been appointed chairman of CENTURYAN SECURITY, part of *the OCS Group.*

★

Mr J. E. Dodds-Smith has relinquished his position as managing director of Gailey Caravan and Leisure, part of Black and Edgington, and has *taken up an appointment* as a director of J. F. NASH.

APPOINTMENTS OVERSEAS

Dr **Sang C. Lee** has been appointed director of organisation for INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION. He was executive assistant to the senior executive vice president of ITT in New York.

★

GAFFNEY CLINE AND ASSOCIATES, *the international* petroleum and natural gas advisers, has appointed **Mr Phillip L. Vilain** as manager of its Trinidad operations.

★

THE NORCEM GROUP has appointed vice president **Mr Henning Stene** area representative for South East Asia and the Pacific.

★

Mr John D. Harris has been elected managing director of BT Asia, the Asian and Pacific merchant banking arm of Bankers Trust Company, New York, from September 11. *Mr Harris succeeds* **Mr Franklin A. Leib,** who will be returning to Bankers Trust headquarters in New York to assume responsibility for a division of Bankers Trust Company's international department.

★

Mr Charles Brassard has been made president of REVLON INTERNATIONAL'S Europe, Middle East and Africa region for cosmetics, fragrances and toiletries. He succeeds **Mr David S. Rowe-Beddoe,** who has resigned.

★

UNION CARBIDE EUROPE has made the *following* appointments: **Mr Peter Hesse** has been *nominated* general manager Union Carbide Industriegase GmbH and will move to Frankfurt. He will be succeeded by **Mr John E. Stokoe** as manager of purchases Europe in Geneva. **Mr Mario Ferrero** has been appointed *a business manager* for industrial chemicals within the chemicals and plastics division in Versoix.

WORLD STOCK MARKETS

Early 5.6 fall on Wall St

STOCKS CONTINUED their decline on Wall Street yesterday, amid deepening gloom over the economic outlook.

By 1.00 pm the Dow Jones Industrial Average was down a further 5.61 to 861.40, making a loss of 30.83 on the week, while the NYSE All Common Index, at $69.47, shed 78 cents on the day and $2.50 on the week. Declining issues totalled more than 1,000 and volume reached 33.64m (25.09m) shares.

Analysts said day to day news, such as the small increase in last month's Wholesale Prices announced earlier, is having little effect on the Stock Market. They expect the general downtrend to continue until there is some significant easing in interest rates.

Oils led the decline. On the active list, Texaco were off $¼ to $35⅞, Exxon $⅜ to $32¼ and Superior Oil $⅞ to $34.

Other losers in the group included Atlantic-Richfield, $1¼ to $44⅜, Mobil $⅞ to $27⅞, Union Oil $¼ to $37⅛, Getty Oil $1⅞ to $63⅞ and Marathon $1½ to $60½.

In the Technology sector, IBM shed $⅜ to $54⅛ and Honeywell $1 to $82⅛. Computervision fell $2 to $30½.

Cenco, the most actively traded stock, rose $⅞ to $16⅝—National Medical is offering to acquire all outstanding shares for $14 each.

Florida Power and Light declined $1⅞ to $27⅛ after news that it received only half of a requested $471m rate increase.

THE AMERICAN SE Market Value Index was down 3.29 to 335.00, making a loss of 19.80 on the week. Volume 3.94m (2.60m) shares.

The Oil and Gas Index rebounded 26.6 to 4,655.2. Metals and Minerals rose 12.9 to 2,096.1 and Banks firmed 3.93 to 352.20. But Golds lost 23.7 to 4,231.2 and Utilities eased 0.07 to 244.99.

Aquitaine Co. of Canada jumped $8½ to $71⅞—Canada Development Corp. said its CDC Petroleum Inc. will offer C$74 for each outstanding share of Aquitaine Canada. Canada Development currently owns 74.8 per cent of Aquitaine Canada.

Canada

Stock prices were mixed at midsession, with the Toronto Composite Index up 6.2 to 2,145.5.

Closing prices for North America were not available for this edition.

Australia

Oil shares fell sharply as the All Ordinaries Index slipped 4.7 to a 14-month low of 610.8.

The Oil Index slid 36.1 to 677.9, a loss of 61.2 on the week. AOD proved one of the few Oils to hold its ground, closing steady at $A1.55 on the strength of its 50 per cent shareholding in the 2,700 BPD Merrimelia 6 oil well.

Santos lost 18 cents to $A5.58.

Santos lost 18 cents to $A5.58, while Woodside slid 11 cents to $A1.38, Bridge weakened 20 cents to $A5 and Vamgas fell 40 cents to $A11.80.

Scattered Metals showed marginal rises on the firmer Gold price.

A weak Sugar price saw CSR ease another 5 cents to $A4.75, a loss of 27 cents on the week.

Both Industrial Equity and Huttons were suspended after IEL said it was withdrawing its bid for Huttons.

Moonie fell another 20 cents to $A2.80.

Coal Mines were also out of favour, with Coal and Allied down 30 cents to $A8. UTAH dipped 10 cents to $A2.75 — it is plagued with severe industrial troubles and is laying off its workforce, but Coal and Allied has just signed an advantageous contract in Japan with escalation clauses.

Germany

Leading shares closed lower in moderate trading, with dealers citing fewer Foreign orders and also position squaring by professionals ahead of the weekend.

AEG featured in mostly lower Electricals with a DM 1.20 rise to DM 56.20, reflecting positive reaction to plans for co-operation with other firms.

The Domestic Bond Market was quiet. Public Authority Loans posted gains reaching DM 0.40 and losses of DM 0.20. The Bundesbank sold DM 6.4m of stock.

Tokyo

Generally lower on the sharp overnight fall on Wall Street.

Quality shares were among prominent losers. On the other hand, "Large-Capital" issues, usually considered safe even during a slump, and Pharmaceuticals with their potential earnings improvement, stood out in a market crowded with losses.

Hong Kong

Stock prices staged a rally after seven consecutive reverses, but profit-taking late in the day trimmed most of the gains. The Hang Seng Index closed 9.91 up at 1,597.54 on a turnover of $HK527.91m.

Cheung Kong rose 50 cents to HK$28.70 on a 275 per cent increase in interim profits. Earnings per share rose to HK$1.48 from HK$0.41 a year earlier. An interim dividend of 22 cents per share was declared, up 43 per cent from the adjusted year earlier dividend.

Hongkong Land rose 10 cents to HK$10.40 and Carrian gained 25 cents to HK$9.45.

Singapore

Sharply high on short-covering and buying support in active trading. The Straits Times Index rse 22.13 to 662.78.

Sentiment was partly influenced by Thursday's Stock Exchange announcement that member firms must clear outstanding contracts and execute all transactions on an immediate delivery basis. Firms were also told to sell shares only for clients who have the scrip.

Switzerland

Share prices fell sharply over a broad front on sustained selling in view of current high Eurofranc rates and the overnight fall on the Wall Street.

Selling was widespread, with losses averaging 5 per cent and reaching 10 per cent in some cases, with Financials; Insurances and leading Industrials hardest hit. Banks closed above the lowest levels of the day.

Bond Markets were also depressed as Foreign Bonds at the longer end showed losses averaging 3 to 5 per cent.

Among Foreign shares, Dollar stocks traded around overnight New York closing levels, but Germans were lower, as were Amgold among South African Gold Mines. Dutch Internationals were also lower.

Paris

Share prices tended steady in moderate trading after three days of gains. Sentiment was generally encouraged by cuts in some Banks' Base Rates and by Thursday's extension of State control over interest rates on Residents' Term Deposits.

Constructions alone showed clear gains, with Bouygues up Frs 24 at 903

All Foreign sectors were weaker.

Milan

Prices again fell sharply on "stop loss" selling in a market increasingly anxious ahead of the Government's 1982 Budget, due to be announced later this month.

Selective support near the end of the session steadied some leading issues above their day's lows.

Bonds tended easier.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

Indices

NEW YORK ACTIVE STOCKS

INTERNATIONAL COMPANIES and FINANCE

Sales fall at German engineering group

By Jonathan Carr in Bonn

SALES OF Orenstein und Koppel (O and K), the West German engineering group, fell by 7 per cent in the first half of this year from the same period of 1980, despite strong demand from abroad.

An interim report from the Dortmund-based group said that overall sales fell to DM 563m ($232m) from DM 609m. Foreign business rose to DM 352m from DM 303m offsetting a domestic fall to DM 211m from DM 306m.

Part of the problem is that O and K's leading sector, construction machinery, is being hit by the sharp downturn in the West German building industry. The group's domestic factories have orders in hand worth DM 751m, compared with a figure of DM 690m in mid-1980. But no less than 80 per cent of this is for long-term industrial plant business.

No first-half earnings figures are given. For the whole of last year the company plunged DM 49.6m ($20.44m) into the red after making a net profit of DM 5.8m in 1979.

Gain at Thyssen Bornemisza

By Our Financial Staff

A GAIN on the sale of a shareholding have helped to more than double first-half profits of Thyssen-Bornemisza, the Dutch international holding company.

On sales marginally higher at Fl 1.78bn ($660m), the Monaco-based group reports a net profit of Fl 168.3m, compared to Fl 61.7m for the opening six months of 1980.

Endeavour pulls out of bid for Northern Mining

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA'S Endeavour Resources, which is 42 per cent-owned by Mr Alan Bond's Bond Corporation, has cancelled its bid for Northern Mining which holds a 5 per cent stake in the Ashton diamond joint venture in Western Australia. The bid valued Northern Mining at over A$60m (US$58m).

The move follows claims by Afro-West Mining and Exploration to part of the Ashton diamond area at Lake Argyle. The Rio Tinto-Zinc group's CRA, which heads the venture with a stake of 56.8 per cent (the remaining 38.2 per cent is held by Ashton Mining) rejects the Afro-West claims and hopes to have the dispute settled before the end of this year.

Meanwhile the Ashton consortium has postponed the start of small-scale diamond production at Lake Argyle until next year. Full production is not expected until 1985 when the operation will have a big annual capacity of some 22m carats, mostly in the form of industrial and "near gem" diamond material.

The Bond group is understood to already own 40 per cent of Northern Mining. The bid by Endeavour for the rest of the company was A$3.64 for Northern Mining fully paid shares and A$3.44 for the partly paid.

Endeavour stated yesterday: "Despite the fact that Northern Mining's interest in this joint venture is by far its most important asset, shareholders of Northern Mining were not informed of this development until newspapers reported it on August 31, 1981. Subsequent to those newspaper reports CRA Exploration, the manager of the Ashton joint venture, has announced that the planned commencement of mining operations at Argyle has been deferred, one of the main reasons being the Afro-West litigation of the mining rights. so that proceedings may be com-

Alfa-Laval shows growth

BY WESTERLY CHRISTNER IN STOCKHOLM

ALFA-LAVAL, the Swedish agricultural and process engineering group, achieved a modest advance in earnings to SKr 200m ($38m) from SKr 185m for the half-year. Group sales rose by about 10 per cent to SKr 3.12bn ($594m).

Mr Harry Faulkner, managing director, says in the interim report that group pre-tax profits can be held to last year's SKr 477m, although earnings during the last half of the year are expected to be less than for the first six months.

Mr Faulkner adds that group revenues will exceed last year's SKr 6.54bn by about 5 per cent. Group order intake reached SKr 3.62bn at the end of June, a rise of 8 per cent.

Net financial items showed a deficit of SKr 10m from a surplus of SKr 8m during the same period last year. The loss was blamed on high interest rates and exchange differences, largely caused by the weakening of European currencies.

Order intake for the agri-group, which produces equipment for milking and accessories and other farm implements continued to fall in many markets, especially in the Common Market. This sector's sales and value of orders fell in the first half-year.

However, on the energy and food processing side there are good order bookings. "Far surpassing last year's figures." The group has pinned part of its hope for this year's maintained profitability on this sector.

The whole industrial group had sales of SKr 1.5bn, a rise of 18 per cent, with improved earnings and profitability, the company says.

Dunlop Estates Malaysia down

By Wong Sulong in Kuala Lumpur

DUNLOP ESTATES BERHAD, in which Dunlop Holdings of the UK has a 51 per cent stake, has suffered a sharp setback in its earnings, more severe than that of many Malaysian plantation companies, the results of which have been hit by poor commodity prices.

For the six months ended June, pre-tax profit fell by 45.6 per cent, from 18.2m ringgit to 9.9m ringgit (U.S.$4.2m). This figure includes a non-trading item of 1.4m ringgit arising from government acquisition of some of its land. The net profit was 6.4m ringgit, compared with 10.1m ringgit.

CDC offers for rest of Aquitaine Canada

BY ROBERT GIBBENS IN MONTREAL

CANADA Development Corporation, controlled by the Federal Government with minority public participation, is offering C$400m (U.S.$340m) for all the shares it does not already own in Aquitaine Company of Canada. The price is C$74 or U.S.$61.65 per share through CDC's oil subsidiary CDC Petroleum.

The price is the same as CDC paid to buy the 74.8 per cent controlling interest in Aquitaine Canada from Elf Aquitaine of France this summer.

Aquitaine Canada's operations will be merged with CDC Petroleum's oil and gas businesses. Aquitaine Canada, one of the country's most successful finders of oil and gas on the mainland in the past 15 years, also has a major land holdings in the northern frontier areas and offshore Labrador.

The deal with Elf was concurrent with the French group's acquisition of Texasgulf, the U.S. natural resources company. CDC exchanged its minority stake in Texasgulf for Texasgulf's Canadian assets, helping Elf buy control

Reduced earnings expected by Varta

By Stewart Fleming in Frankfurt

VARTA, the large West German battery company expects lower earnings for the current year, although it says that the results will be satisfactory. The 12 per cent dividend is not in any danger of being cut.

In 1980 the company reported world wide sales of DM 1.5bn (U.S.$600m)—an increase of 10.7 per cent—of which 41 per cent came from domestic operations. After-tax profit was DM 28.5m compared with DM 27.5m in 1979.

In the first half of the current year, reflecting largely further growth internationally, sales revenues are up 7 per cent to DM 726m. The company's car battery business achieved a 4 per cent increase in sales to DM 315m.

Sales of industrial batteries in the first half rose 6 per cent to DM 178m. Once again foreign business played a major role in the improvement.

The board says that it sees no signs of an improvement in the general economic climate in the second half of the current year.

Middle East agreement for Mastercard

By Alan Friedman

MASTERCARD International, the credit card to travellers cheque group, announced yesterday a licensing agreement covering 28 countries in the Middle East.

Mr Russell Hogg, president, said it gave Mastercard "a leading position in each country." The agreement calls for a "prominent international investment firm" to negotiate the sale of credit cards, debit cards (linked to current accounts) and travellers cheques.

The countries covered include Abu Dhabi, Algeria, Bahrain, Dubai, Egypt, Iraq, Jordan, Lebanon, Libya, Kuwait, Morocco, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia and North and South Yemen.

Mr Hogg said the "first or second leading bank" in each market will participate.

MAN hits problems on two foreign deals

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, IN MUNICH

MASCHINENFABRIK Augsburg-Nürnberg (MAN), the West German heavy truck producer, has run into severe problems with two elements of its overseas expansion programme.

A plan to set up a diesel engine plant in the Philippines has been put on ice because of the troubles suffered by MAN's partner there, Delta Motor Corporation, which among other things imports Toyota cars into the Philippines.

A deal to set up truck assembly in India has run into a snag, following the nationalisation of MAN's plant by the Marugi group, the organisation set up by the late Mr Sanjay Gandhi.

The Indian authorities have now asked other vehicle manufacturers to put up suggestions for how the Marugi plant near Delhi might be used and the current thinking is that light trucks, outside MAN's range, should be produced.

These difficulties have long-term implications for MAN's export efforts. But in the short-term a major contract with Iraq, to supply about 1,500 trucks over a short period, will help push up vehicle production and exports this financial year.

According to Herr Wilfried Lochte, head of MAN's commercial vehicle division, vehicle output for fiscal 1982 should rise 5 per cent on the 28,800 produced in the previous 12 months.

And capital investment will rise from around DM 108m ($43m) to DM 120m this fiscal year.

The major investments outside Germany are for a diesel engine assembly plant in Turkey, and a bus assembly plant in the U.S.

In Turkey, where MAN trucks and buses have been sold for some years, the new engine factory is going up in the Ankara area. Capital investment of about DM 50m will be involved and in full production the factory will turn out 7,000 engines a year with local content in the region of 84 per cent.

MAN sees its bus project in the U.S. as its most important overseas venture. It is spending $10m to $12m on a plant at Cleveland, North Carolina, which starts up in November. It will have a workforce of 450 and at full capacity the plant will produce 375 buses a year.

Evans Deakin boosted by resource development

BY GEORGE MARSHALL IN SYDNEY

EVANS DEAKIN Industries, the Australian heavy engineering group, is to make a one-for-eight scrip issue following a 50.5 per cent earnings jump, from A$2.7m to A$4.1m (US$4.7m) in the year to June.

A large part of this improvement in performance stems from the company's involvement in resource development projects which started last financial year in its home state, Queensland.

Without this stimulus, Evans Deakin's earnings slipped 7 per cent the preceding year.

The scrip issue will participate in the final dividend of 40 cents a share.

The annual payout is held at 8 cents a share on capital expanded by the scrip issue and the recent one-for-four rights issue.

During the year Evans Deakin bought Walkers, also a Queensland engineer, after topping a bid from Australian National Industries and itself escaping takeover from Clyde Industries, both New South Wales-based rivals.

Walkers contributed A$1.06m to group earnings from February 28, after tax of A$92,833, compared with profits of A$451,650 in the previous financial year, after tax of A$122,455.

The directors said the improvement in Walker's performance reflected a recovery since 1978-79, when the group embarked on new fields of manufacture which resulted in heavy establishment costs.

Evans Deakin's profit was achieved on a 45.2 per cent sales increase from A$67.5m to A$97.98m (U.S.$112m).

Brazil and Iraq plan joint-venture bank

By Andrew Whitley in Brazilia

BRAZIL and Iraq are to establish a joint-venture bank to boost further their already flourishing bilateral trade. Plans for a joint insurance company are at an advanced stage.

Formal agreement on the bank is expected in early November, according to Brazilian officials. Until now trade has been handled by third country banks.

The new bank, as yet unnamed, would be the first such venture for either country although a Kuwait investment house has been doing business in Brazil for the past two to three years. For its part Brazil is interested in similar banking arrangement with other Arab oil producers, notably Saudi Arabia.

Initial capital has been set at $40m, to be divided equally between the two countries. This would slot th bank in to 22nd place in the Brazilian banking league.

Rio de Janeiro will be the headquarters, and, at first, the only office. The bank could be in operation by spring, 1982. Brazilian officials anticipate the setting up of branches abroad.

Iraq recently recovered its position as Brazil's biggest oil supplier after a slump brought about by the outbreak of the Gulf war a year ago. In the other direction, Brazil has become a major supplier of arms and foodstuffs to Iraq, while its civil contractors are engaged in several important infrastructure projects.

Our Foreign Staff writes: the institution constitutes a new departure for Iraq which hitherto has kept a low profile on the international banking scene.

Its participation in joint ventures has been limited to the Rafidain Bank's small shareholding in the Union des Banques Arabes and Francaises.

Iraq's collaboration with Brazil is well developed, however. The two states have an agreement on nuclear co-operation

Singapore steelmaker

National Iron and Steel Mills of Singapore reports that group net profit, excluding minority interests and extraordinary items, fell by 44 per cent to S$9.8m (U.S.$4.5m) in the half ended June. Turnover dropped by 3 per cent to S$155m (U.S.$7.2m), AP-DJ reports.

COMMODITIES/REVIEW OF THE WEEK

Sugar market falls to 20-month low

BY OUR COMMODITIES STAFF

THE RECENT decline in world sugar prices continued unabated this week with the London daily raws price ending at a new 20-month low of £153 a tonne (down £26 on the week) and the January futures position losing £19.375 to £158.125 a tonne.

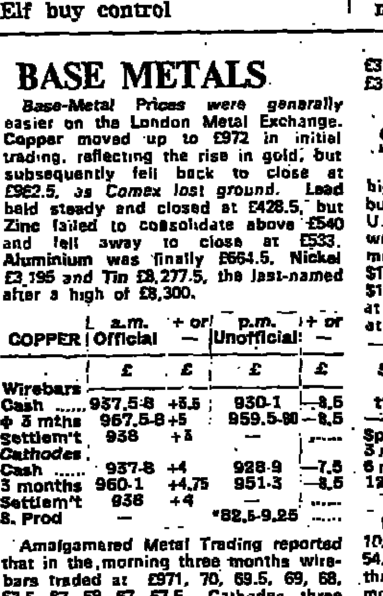
There were no fundamental developments to explain the fall which dealers attributed to a growing acceptance that 1981-82 production would inevitably be well in excess of consumption.

London merchant E. D. and F. Man estimated in its latest report that bumper crops in Europe and elsewhere would result in a surplus next season of at least 2m tonnes.

This view was backed up by a U.S. Department of Agriculture report which predicted that world sugar production would exceed the 1977-78 record of 92.5m tonnes unless weather conditions deteriorated dramatically.

It forecast consumption at 91m tonnes but noted that this could be exceeded if high production forced prices down further.

Coffee prices began the week on a depressed note following the trend in New York. But this was quickly reversed by an £80 rally on Wednesday, which also represented follow-through from a New York market movement.



Prices than settled into a relatively narrow range and the November London futures position ended £9 up on balance at £911.50 a tonne.

Traders tended to be cautious ahead of International Coffee organisation talks beginning next week at which price support and export quota levels for the coming season are to be thrashed out.

*Producers have been meeting in London this week. No decision has been reached on quota levels, in spite of a report that they planned to support a repeat of last year's global quota of 51.2m bags. But producers are expected to push for a 10 cents rise in the agreement's price range of 120 cents to 150 cents a pound.

Copper prices eased on the London Metal Exchange this week in subdued trading conditions. The market was depressed initially by gloomy forecasts about the American economy, reflected in the sharp fall on Wall Street. So little attention was paid to the announcement of force majeure on copper shipments by Southern Peru as a result of the continuing strike at its mines and Ilo smelter. Prices subsequently rallied, however, on reports of increased tension in Angola and Poland, only to ease again yesterday. Cash wirebars closed at £930.5 a tonne, £14 down on the week.

Tin prices in London ended the week relatively little unchanged, but in Malaysia the Straits tin price is once again close to the International Tin Agreement "ceiling" of 35.47 Malaysian ringitts per kilo. After reaching $M35.32 last Friday the price fell back sharply but has subsequently rallied back to $M35.30.

If the Straits tin price does breach the "ceiling" the buffer stock of the International Tin Council has to sell all its existing holdings, although these are believed to have depleted already by buffer stock selling to avoid a supply squeeze developing following heavy buying by the influential dealers dominating the market.

Two more European smelters, Metallgesellschaft and Preussag, this week raised their zinc prices from $925 to $1,000 a tonne

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981 High	1981 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£780/70
Free Markets c.i.f.	$1200/1230	—10	$1700/730	$1500/1550	$1155/165
Antimony					
Free Market 99.6%	$2700/2800	—	$3250/380	$3200/3280	$2700/800
Copper Cash Wire Bars	£930.5	—14	£841	£1,023.5	£755
3 months Do. Do.	£959.75	—12.5	£861.5	£1,052.75	£777.5
Cash Cathodes	£928.5	—18	£811	£1,025	£746.5
3 months Do.	£952	—13.5	£835	£1,046	£765.5
Gold per oz	$438	+11	$651.5	$601	$390
Lead Cash §	£420.5	+5.25	£359	£502	£273.75
3 months §	£426.75	+5.5	£373	£499.5	£285.25
Nickel	£4,106.25	+18.95	£3,205	£4,087.5	£3,156
Free Market c.i.f. lb	270/290c	—	$290/315c	295/310c	275/285c
Platinum per oz	£260	—	£302	£260	£202
Free Market per oz	£238.15	+4.5	£281.15	£245.40	£185.60
Quicksilver (76lbs.)	$425/430	.....	$405/415	$426/438	$355/365
Silver per oz	539.15p	+40.95	704.55p	671.20p	428.50p
3 months per oz	555.35p	+41.65	732.45p	695.70p	441.20p
Tin cash	£8085	—50	£7,102.5	£8,205	£5,700
3 months	£8275	—60	£7,137.5	£8,355	£5,865.5
Tungsten Ind	$146.34	+0.91	$144.87	$149.08	$140.56
Wolfram (22.04 lb)	$144/148	—	$151/154	$151/155	$142/145
Zinc cash	£519.5	—2	£325.25	£553.5	£306.5
3 months	£533.5	—1.75	£336.5	£565.5	£318.25
Producers	$425/1000	—	$780	$925/1000	$823
GRAINS					
Barley Futures	£101.80x	—0.4	£93.45	£105.00	£94.40
Maize French	£126.5	+0.5	£122.5	£130.00	£119.75
WHEAT Futures	£108.80x	—0.45	‡	£121.10	£99.10
Hard Winter Wheat	£118.25	+1.75	£99.25	£124	£102.0
SPICES					
Cloves (g)	£5,200y	—	£3,750	£5,200	£3,800
Pepper, white	$1,850y	—	$2,350	$2,150	$1,850
" black	$1,300y	—	$1,700	$1,650	$1,285
OILS					
Coconut (Philippines)	$575u	—	$605	$640	$525
Groundnut 5%	‡	—	‡	‡	‡
Linseed, Crude	£432	—	£397	£460	£400
Palm Malayan	$520z	—	$545	$545	$500
SEEDS					
Copra (Philipines)	$355	—5	$415	$430	$350
Soyabeans (U.S.)	$285	+6	$334	$340	$275
OTHER COMMODITIES					
Cocoa Shipment§	£1,384	+155	£1,034	£1,384	£950
Cocoa Futures Dec	£1,273	+42.5	£977	£1,291.5	£789.5
Coffee Futures Nov	£911.5	+9	£1,103.5	£1,167.5	£735.5
Cotton Index	78.60c	+0.3	101.8c	101.15c	78.10c
Des Coconut	£680	—	£700	£680	£640
Gas Oil Fut. Oct	$301.5	—3.5		$307.75	$258
Jute LJ ABW C grade	£245y		£198	£245	£219
Rubber kilo	57.25p	—1.25	64p	65.25p	51.5p
Sago Pearl	£232y	—	£205	£232	£197
Sisal No. 1	$705	—	$885	$780	$705
Sugar (Raw)	£153y	—	£307	£315	£153
Tapioca No. 1	£229y	—	£212	£229	£207
Tea (quality) kilo	‡		135p	128p	117p
(plain) kilo	‡		58p	81p	59p
Wooltops, 64s Warp	391p kilo	—1	287p kilo	400p kilo	294p kilo

‡ Unquoted. (g) Madagascar. (x) Nov. (y) Sept/Oct. (u) Nov./Dec. (z) Oct. * Nominal. § Ghana cocoa.

BASE METALS

Base-Metal Prices were generally easier on the London Metal Exchange. Copper moved up to £972 in initial trading, reflecting the rise in gold, but subsequently fell back to close at £962.5, as Comex lost ground. Lead held steady and closed at £428.5, but Zinc failed to consolidate above £540 and fell away to close at £533. Aluminium was finally £664.5, Nickel £3,195 and Tin £8,277.5, the last-named after a high of £8,300.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	937.5-8	+3.5	930-1	—8.5
φ 3 mths	967.5-8	+5	959.5-60	—8.5
Settlem't	938	+3	—	.....
Cathodes				
Cash	937-8	+4	928-9	—7.5
3 months	960-1	+4.75	951-3	—8.5
Settlem't	938	+4	—	.....
U.S. Prod	—	.....	*82.5-9.25	.....

Amalgamated Metal Trading reported that in the morning three months wirebars traded at £971, 70, 69.5, 69, 68, 67.5, 67, 68, 67, 67.5. Cathodes, three months £960. Kerb: Wirebars, three months £967.5, 68. Afternoon: Wirebars, £962, 63, 62.5, 62, 61.5, 62, 62.5, 62, 60, 59, 60, 59.5. Kerb: Wirebars, three months higher grade £960, 61, 62, 63, 62.5, 62, 63, 62. Turnover 19,050 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8090-100	—55	8080-90	—9
3 months	8280-5	—55	8270-80	—20
Settlem't	8100	—55	—	—
Standard				
Cash	8090-100	—55	8080-90	—9
3 months	8280-5	—35	8270-80	—20
Settlem't	8100	—55	—	—
Straits E.	‡$35.30		—	
New York	—			

Tin—Morning: Standard, cash £8,100, 8,090, three months £8,290, 80. Kerb: Standard, three months £8,280. Afternoon: Standard, three months £8,280. Kerb: Standard, three months £8,270, 65, 70. Turnover 1,270 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	425-6	+7.5	420-1	+2
3 months	428.5-9	+7	426.5-7	+2.25
Settlem't	426	+7.5	—	.....
U.S. Spot	—	.....	*42-4	.....

Lead—Morning: Cash £426, 25.5, three months £427.5, 27, 28, 29.5. Kerb: three months £429, 28.5. Afternoon: Three months £425, 24, 25, 25.5. Kerb: Three months £427, 28. Turnover 5,550 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	524-5	+1.75	519-20	—5.5
3 months	538.5-9	+1	533-4	—5
S'ment	525	+2	—	.....
Primw'ts	—	.....	*49.75-50	.....

Zinc—Morning: Cash £524, three months £538, 39, 38, 38.5, 40, 39. Kerb: Three months £538, 37. Afternoon: Three months £535, 36, 35.5, 35, 34, 23.5, 33, 34. Kerb: Three months £534, 35, 34, 33. Turnover 4,150 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	647-8	+1	639.5-40.5	—9.5
3 months	671-.5	—.5	664-5	—9.75

Aluminium—Morning: Cash £648, 49, three months £672, 73, 71. Kerb: Three months £671.5, 71, 70. Afternoon: Three months £667, 66, 65, 64, 63, 63.5, 64, 65, 66, 65. Kerb: Three months £664, 65, 66, 67, 66, 65, 64.5. Turnover 9,525 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3155-65	—25	3150-60	—12.5
3 months	3216-25	—22	3205-10	—28

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close. φ High grade cathodes deliverable from Sept 1.

Nickel—Morning: Three months £3,220. Afternoon: Three months £3,201, 3,210. Kerb: Three months £3,210, 05. Turnover: 326 tonnes.

SILVER

Silver was fixed 20.25 an ounce higher for spot delivery in the London bullion market yesterday at 539.15p. U.S. equivalents of the fixing levels were: spot $9.95, up 35.8c; three-month $10.364, up 36c; six-month $10.828, up 35.9c; and 12-month $11.619, up 34.7c. The metal opened at 531½-541½p ($9.95-10.05) and closed at 534½-529½ ($9.86-9.95).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	539.15p	+20.2	535.5p	+15.0
3 months	555.35p	+20.4	551.5p	+12.5
6 months	573.85p	+20.0	—	.....
12months	607.35p	+19.5	—	.....

LME—Turnover 102 (186) lots of 10,000 ozs. Morning: three months 555, 54, 54.5, 55, 54, 54.5, 54.2, 54. Kerbs: three months 554. Afternoon: three months 552, 51.1, 51.2, 51.5, 51, 50.5, 51, 52. Kerbs: three months 550.5, 51, 52, 53, 55.

COCOA

After opening slightly steadier than expected futures drifted lower in thin conditions. Book squaring rallied prices. Physical business remained quiet, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
Sept	1217-18	—10.5	1226-16
Dec	1273-74	—8.0	1280-70
March	1291-92	—5.0	1299-87
May	1302-03	—2.5	1305-297
July	1307-09	—1.0	1310-03
Sept	1315-18	—0.5	1318
Dec	1320-30	—2.5	1320-20

Sales: 2,116 (3,849) lots of 10 tonnes.

ICCO—Daily price for Sept 3: 107.91 (106.84): Indicator price for Sept 4: 105.67 (104.47).

COFFEE

Although opening around higher Robustas fell away, reports Drexel Burnham Lambert. With New York also failing to follow through on limit up closes, further liquidation reduced London values with jobber profit-taking and light trade buying providing erratic support.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Sept	873-75	+1.0	908-868
Nov	910-13	+3.5	942-895
Jan	919-20	+2.0	952-09
March	930-32	+2.5	960-20
May	938-42	+5.0	961-37
July	945-49	+1.0	975-70
Sept	941-59	+2.5	—

Sales: 4,751 (5,685) lots of 5 tonnes.

ICO indicator prices for Sept 3: (U.S. cents per pound): Comp. Daily 102.54 (100.38); 20-day average 105.68 (106.00).

GAS OIL FUTURES

After opening unchanged to slightly lower prices drifted to close on the lows due to weaker physical prices, reports Premier Man.

Month	Yesterdays close	+ or —	Business Done
	$ U.S. per tonne		
September	298.75	—1.25	300.00-99.50
October	301.50	—2.50	303.50-02.00
November	305.25	—2.00	306.50-05.00
December	308.25	—1.50	308.75-09.00
January	311.75	—1.25	312.25-11.75
February	315.00	—1.25	316.00-15.00
March	317.25	—1.50	318.00-17.00
April	320.25	—0.25	320.00-20.00
May	323.50	+0.50	—

Turnover: 380 (266) lots of 100 tonnes.

GRAINS

Grains opened lower. Spots saw little interest from buyers, as harvest nears completion, Acli reports.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent Sept 113.75, Oct 113.50 transhipment East Coast sellers. U.S Hard Winter 13½ per cent Sept 118.25 transhipment East Coast seller. English Feed, fob (76 kilos) Nov 113.75 paid East Coast. Maize: French Sept 126.50 transhipment East Coast seller. S. African Yellow Sept 91.50 seller. Barley: English Feed fob Sept 103.00 paid East Coast. Rest unquoted.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterday close	+ or —
Sep	106.05	—0.45	98.60	—0.30
Nov	108.80	—0.20	101.80	—0.35
Jan	112.75	—0.55	105.70	—0.30
Mar	116.35	—0.50	109.30	—0.40
May	120.05	—0.15	112.85	—0.40
July	123.50	—0.30	—	—

Business done—Wheat: Sept 106.45-106.05, Nov 108.95-108.75, Jan 113.00-112.70, March 116.50-116.25, May 120.05-120.00, July 123.50 only. Sales: 170 lots of 100 tonnes. Barley: Sept 98.70-98.60, Nov 102.00-101.80, Jan 105.90-105.70; March 109.60-109.30, May 113.15-112.85. Sales: 147 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 107.90, E. Mids 107.90, N. East 102.80. Feed barley: Eastern 95.70, E. Mids 95.90, N. East 95.70, Scotland 95.60. The UK Monetary Coefficient for the week beginning Monday September 7 will remain unchanged.

RUBBER

The London physical market opened easier, with little interest throughout the day, closing easier. Lewis and Peat reported a fob Sept price for No. 1 RSS in Kuala Lumpur of 254.0 (256.5) cents a kg and SMR20 205.0 (206.5).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Oct	57.80-58.10	58.00-58.70	58.10-58.00
Nov	58.50-59.00	60.40-60.50	59.10
Oct-Dec	58.80-59.10	60.50-60.80	59.80-59.00
Jan-Mar	62.00-62.10	63.50-63.80	63.70-62.00
Apl-Jne	65.20-65.30	66.60-66.70	66.70-65.20
Jly-Sept	68.40-68.60	69.60-69.90	69.30-68.40
Oct-Dec	71.60-71.80	73.10-73.40	72.90-71.70
Jan-Mar	74.60-75.00	76.10-76.20	75.60
Apl-Jne	77.80-78.10	79.20-79.50	79.10-78.00

Sales: 520 (235) lots of 15 tonnes; 16 (12) lots of 5 tonnes. Physical closing prices (buyers) were: Spot 57.25p (58.25p); Oct 55.50p (57.00p); Nov 56.75p (58.00p).

SOYABEAN MEAL

The market opened higher on weaker sterling, reports T. G. Roddick, and continued to firm on trade buying before easing.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
October	155.90-54.6	+0.30	155.10-54.50
December	154.50-54.8	+1.05	155.50-53.60
February	157.00-57.1	+1.10	157.10-56.20
April	158.00-59.0	+0.75	—
June	158.00-62.0	—0.50	—
August	158.00-66.0	+0.25	—
October	157.50-66.2	—1.75	—

Sales: 141 (127) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £153.00 (£160.00) a tonne cif Sept-Oct shipments. White sugar daily price £151.00 (£155.00).

Sell-at-best orders at the opening lowered prices but thereafter buyers predominated and the market gradually edged higher before the trend once again reversed, reports C. Czarnikow.

No. 4 Contract	Yest'rdy's close	Previous close	Business done
	£ per tonne		
Oct	158.50-58.70	161.50-61.60	164.50-55.00
Jan	157.75-58.50	161.50-62.50	162.00-57.50
March	164.50-64.75	167.25-77.50	170.00-61.50
May	169.25-69.50	170.20-70.25	171.50-66.00
Aug	172.50-72.75	175.50-74.00	174.50-69.50
Oct	175.00-76.00	177.00-78.00	178.25-70.50
Jan	175.50-76.00	177.75-78.50	—

Sales: 7,348 (6,703) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £360.4 (same) a tonne fob home trade and £261.0 (£267.5).

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Sept 3: Daily price 11.62 (11.58); 15-day average 13.47 (13.73).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREEDS—Close (in order: buyer, seller, business). New Zealand cents per kilo. Oct buyer 391, nil; Dec 395, 397, 396; Jan 399, 400, 400-399; Mar 410, 411, 411; May 419, 421, 421-420; Aug 432, 433, 433; Oct 435, 437, 436; Dec 436, 439, 438; Jan 438, 439, 438; Mar 444, 446, 445. Sales: 29.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kilo. Oct 496.0, 497.0, 497.0-495.0; Dec 506.0, 507.0, 507.0-506.0; Mar 516.0, 517.0, 518.0-516.0; May 524.0, 525.0, 527.0-525.0; July 533.0, 535.0, 533.5-533.0; Oct 528.0, 532.0, 529.0; Dec 533.0, 535.0, untraded; Mar 536.0, 540.0, 538.0. Sales: 64.

AMERICAN MARKETS

NEW YORK, Sept. 4.

Precious metals and copper were under light pressure as the market evened up before a long weekend. Livestock markets were mixed on a surprisingly good pre-holiday demand. Coffee finished mixed with good commission house support in distant months. Cotton prices collapsed in anticipation of a better crop. Sugar prices moved lower on further crop improvement, reported Heinold.

Copper — Sept 7.20 (78.75), Oct 78.05 (79.75), Nov 79.45, Dec 80.70-81.00, Jan 82.05, March 84.50, May 86.75-86.95, July 89.00, Sept 91.25, Dec 94.60, Jan 95.70, March 97.90, May 100.10, July 102.30.

Potatoes (round whites)—Nov 75.0-75.1 (75.5), Feb 84.0-84.5 (84.0), March 90.9, April 106.7-06.9. Sales: 670.

Sugar—No. 11: Oct 11.15-11.30 (11.48), Jan 11.55 (11.90), March 12.20-12.35, May 12.53-12.60, July 12.85-12.90, Sept 13.15, Oct 13.30-13.35. Sales: 9,748.

Tin—682.00-694.00 (689.00-696.00).

CHICAGO, Sept 4.

Lard—Chicago loose 22.50 (same).

Live Cattle — Oct 67.20-67.10 (67.30), Dec 67.45-67.35 (67.67), Feb 65.30-65.40, April 65.70-65.55, June 66.50, Aug 66.20, Oct 65.75.

Live Hogs—Oct 51.35-51.20 (50.62), Dec 53.10-53.30 (52.87), Feb 53.80-53.70, April 50.60-50.70, June 52.70, July 53.15, Aug 52.45, Oct 50.97, Dec 54.00.

‡‡Maize—Sept 291¼-291½ (297), Dec 303¾-304 (309¼), March 320¾-321, May 31½-332¼, July 339¼-339½, Sept 343½-343¾.

Pork Bellies—Feb 68.60-68.40 (67.90), March 68.25 (67.80), May 69.25, July 70.00, Aug 69.45.

†Soyabeans—Sept 672½ (677¼), Nov 620½-678 (685½), Jan 696-696½, March 716½-717, May 737, July 751-752, Aug 753.

||Soyabean Meal—Sept 190.0 (192.0), Oct 189.5-189.9 (191.3), Dec 194.8-195.0, Jan 198.5, March 204.5, May 210.0, July 214.5-215.5, Aug 216.5-217.5, Sept 217.0-218.0.

¶Silver—Sept 995.0 (1,016.0), Oct 1,014.0 (1,030.0), Nov 1,028.0, Dec 1,038.0-1,045.0, Jan 1,056.5, March 1,086.5, May 1,115.5, July 1,144.5, Sept 1,173.5, Dec 1,216.0, Jan 1,230.0, March 1,258.0, May 1,286.0, July 1,314.0. Handy and Harman bullion spot: 991.00 (960.00).

*Platinum—Oct 438.5-441.0 (449.2), Nov nil (nil), Jan 454.0-454.5, April 474.0, July 488.3, Oct 504.8. Sales: 1,827.

WINNIPEG, Sept 4.

§Barley—Oct 130.00 (131.90), Dec 124.80 (126.90), March 128.50, May 131.30.

§Wheat—SCWRS 13.5 per cent protein content cif St Lawrence 242.40 (242.55).

Soyabean Oil—Sept 21.25 (21.51), Oct 21.57-21.50 (21.84), Dec 22.45-22.48, Jan 22.92-22.95, March 23.68-23.70, May 24.30, July 24.85, Aug 24.85-24.95, Sept 24.85-24.95.

†Wheat—Sept 395½-395¾ (398¾), Dec 424½-424¾ (427¾), March 447-447¾, May 453½, July 453-452½, Sept 463½.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

Thursday's closing prices

NEW YORK, Sept. 3.

††Cocoa—Sept 2120 (2150), Dec 2237 (2273), Mar 2330, May 2362, July 2387, Sept 2412, Dec 2437. Sales: 2,028.

Coffee—"C" Contract: Sept 113.00-113.90 (108.16), Dec 105.46 (101.46), Mar 104.73, May 105.45, July 106.46, Sept 107.37, Dec 107.10. Sales: 2,960.

Cotton—No. 2: Oct 66.30-66.60 (67.32), Dec 68.00-68.15 (68.94), Mar 70.26-70.95, May 73.00, July 74.85, Oct 75.85-76.10, Dec 76.50-76.70. Sales: 3,200.

Heating oil (dollars per U.S. gallon)—Oct 0.9485 (0.9465), Nov 0.9600 (0.9575), Dec 0.9719, Jan 0.9846, Feb 0.9996, Mar 1.0106, April 1.0115, May 1.0175, June 1.0200, July 1.0250, Aug 1.0375, Sept 1.0475, Oct 1.0625. Turnover: 4,565.

Orange Juice—Sept 123.70-124.00 (123.85), Nov 126.50-127.00 (128.70), Jan 130.95-131.10, March 134.00-134.50, May 137.00-137.50, July 140.00-140.50, Sept 143.00-143.50, Nov 145.00. Sales: 1,000.

CHICAGO, Sept. 3.

Chicago Imm Gold—Sept 442.5 (433.4), Dec 461.5-462.5 (452.2); March 482.0-482.5, June 501.5, Sept 523.0, Dec 541.6, March 561.8, June 582.2.

INDICES

FINANCIAL TIMES

Sept. 3	Sept. 2	Month ago	Year ago
260.31	258.45	276.87	275.32

(Base: July 1, 1952=100)

MOODY'S

Sept. 3	Sep. 2	Month ago	Year ago
1026.7	1021.6	1068.5	1246.2

(December 31, 1931=100)

DOW JONES

Dow Jones	Sept. 3	Sep. 2	Month ago	Year ago
Spot	352.52	352.76	382.15	443.88
Fut'rs	370.73	371.86	390.32	465.60

(Average 1924-25-26=100)

REUTERS

Sep. 4	Sep. 3	M'nth ago	Year ago
1649.7	1650.8	1756.9	1731.8

(Base: September 18, 1931=100)

POTATOES

LONDON POTATO FUTURES—Trade selling moved all positions lower in quiet trade during the morning. Book-squaring recovered some of the losses, with market closing slightly steadier, reports Coley and Harper. Closing prices: Nov 84.30, —1.30, (high 85.00, low 83.10); Feb 104.20, —2.20, (high 107.00, low 103.20); April 121.00, —1.70, (high 12.40, low 120.00). Turnover: 322 (404) lots of 40 tonnes.

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.50-£5.20, codlings £2.20-£3.50. Small haddock £1.40-£2.20. Large plaice £5.20-£5.60, medium £4.80-£5.70, best small £3.50-£4.40. Skinned dogfish (large) £11.00-£1.50, (medium) £9.50-£10.50. Lemon soles (large) £8.00, (medium) £7.50. Rockfish £3.20.

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange's Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those shares in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous three business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas market. Φ Bargains done previous day. $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—Jamaican; $Ma—$Malayan; $Mo—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BANKS, DISCOUNT (469)

BREWERIES (295)

Allied Breweries 74½ 5 ½ 6 ½
Bass 238 9 40 1 2
Belhaven Brewery Group 33½ 3 4
Bell (Arthur) Sons (50p) 136 8 9 40. 9¼pcCnv.Ln. 1999-2001 115½ (28/8)
Boddingtons Breweries 160
Border Breweries (Wrexham) 90 (1/9)
Brown (Matthew) PLC 184

COMMERCIAL (6,580)

Adwest Group 164 5 7 8
Aero Needles Group 22 ½ (2/9)
Aeronautical and Gen. Instruments 340
Alcan Aluminium 525½
Alexanders Hldgs. (10p) 8¼ (2/9)
Allen (W. G.) Sons 46
Allied Colloids Group (10p) 137 ½ 8 40 (2/9)
Allied Plant Group (10p) 28
Allied Residential (10p) 27 8
Allied Textiles Companies 159 60 1
Alpine Hldgs. (5p) 57

Courtney Pope (Hldgs.) (20p) 38 (2/9)
Courts (Furnishers) Non-vtg A 77
Cowan de Groot (10p) 43 (28/8)
Cowie (T.) (5p) 34½ (1/9). 10½pcPf. 91
Cray Electronics (10p) 102
Crest Nicholson (10p) 81 8 80
Croda Interntl. (10p) 45½ 6½. Dfd. (10p) 25
Croda (UPOC) 7pcPf. 38 (28/8)
Cronite Gp. 23
Cropper (James) 130 (2/9)
Crosby House Grp. (£1) 153
Crosby Woodfield (10p) 8

Fisher (Albert) (5p) 12
Fisons (£1) 161 ½ 2 3 4 5 6 7
Fitch Lovell (20p) 68 9 70 4
Fitzwilton (R0.25) £49 p 40 (2/9)
Flexello Castors Wheels 34 (28/8)
Flight Refuelling 382 5
Fobel Internat. (10p) 20½ 1 ½ (2/9)
Fogarty (E.) (30p) 106. Dfd. (40p) 105 6
Folkes (John) Helo (5p) 21. Non-vtg. (5p) 20½ (1/9)
Footwear Industry Inv. 51 (1/9)
Ford Internat. Capital Corp. 6pcLn. 60½ (28/8)
Ford (Martin) (10p) 23 (2/9)
Forminster (10p) 119

UK COMPANIES

Standard Life managed funds increase by 42%

A 42 PER cent rise in funds under management from £175m to £250m in the 12 months to May 12, 1981 is reported by Standard Life Pension Funds, the managed fund subsidiary of Standard Life Assurance.

The company which offers investment management to pension schemes through unitised pooled funds also reported 35 new schemes making use of the investment services bringing the total number of clients to 145.

The Mixed fund of equities, fixed interest and cash rose from £112.6m to £165.9m over the year with the unit price advancing by 24.8 per cent. This compares with a 10.6 per cent rise in the FT-Actuaries 15 year Government Stock Index and a 35.1 per cent rise in the FT-Actuaries All Share Index over the same period.

The Mixed fund portfolio split at the end of the year was 55.5 per cent UK equities, 10.9 per cent overseas equities, 32.6 per cent fixed interest and the balance in liquid assets.

The Property fund stood at £78.5m at the end of the year, of which £65.6m was in property and the balance in cash. The property portfolio was split 28 per cent shops, 26 per cent offices, 30 per cent industrials and 16 per cent developments.

The fund's policy of concentrating acquisitions more in the office sector resulted in the purchase of two office buildings in London while a further major scheme in the City of London was under negotiation. The office development in Bristol was not quite complete, but already there was the prospect of letting to a major company.

The Equity fund advanced marginally from £3.6m to £4.2m with the unit price increasing by 33.6 per cent. The Fixed Interest fund remained static at £900,000, though the unit price rose 12.3 per cent.

IN BRIEF

GARFORD-LILLEY INDUSTRIES (engineering, metal stockholding, plastic product manufacture)—Results for year to March 31 1981 reported August 6. Shareholders' funds £2.29m (£1.84m); fixed assets £1.46m (£1.37m), current assets £2.66m (£2.61m) including short term deposits, bank and cash balances £761,193 (£349,733), current liabilities £1.38m (£1.49m). Current cost accounting cuts pre-tax profits of £604,723 to £394,000. Meeting, Great Northern Hotel, N, September 25, 11.30 am.

DOWTY GROUP (aerospace defence and mining equipment manufacturer)—Results for year to March 31 1981 and prospects reported July 22. Shareholders' funds £169.92m (£149.71m); loan capital £6.25m (£4.58m); fixed assets £75.03m (£60.73m); net current assets £101.33m (£91.28m) including cash, bank and deposit balances £7.65m (£4.09m) and bank overdrafts and loans £10.49m (£11.66m); increase in working capital £8.4m (£21.03m). Meeting, Cheltenham, October 1, 11 am.

BRADY INDUSTRIES (shutter, door, grille and lift maker)—Results for the year to March 31 1981 reported August 11. Shareholders' funds £6.91m (£6.5m). Fixed assets £3.58m (£3.34m), net current assets £4.5m (£4.46m). Company intends to carry out rationalisation and reduction in duplication in loss-making graphic reproduction division which will lead to profits in future. However, there will be some relevant costs to be borne in current year. It has acquired Phoenix Photo Engraving Company, a major competitor of the division, and will continue to look for opportunities to expand and widen group's interests by introduction of new products and by acquisitions. Meeting: Manchester, September 29, noon.

JOSEPH WEBB AND COMPANY (holiday camp and property group)—Results for year to March 31, 1981 and prospects reported August 15. Shareholders' funds £3.77m (£3.44m); loans £1.58m (£1.79m); fixed assets £7.19m (£6.77m); current assets £1.23m (£968,354); current liabilities £2.24m (£1.88m). Meeting: Dudley, September 25, noon.

WILLIAM COOK AND SONS (SHEFFIELD) — (steel castings) — Results for year to March 31 1981 reported July 24. Shareholders' funds £2.27m (£2.29m), fixed assets £1.57m (same), current assets £1.45m (£1.83m) including bank and cash balances of £462,000 (£252,000), current liabilities £0.76m (£1.13m). Meeting, Sheffield, October 1 at noon.

SINGLO GROUP (discount food retailing)—Results for period ended March 28 1981 already known. Board expects an increase in pre-tax profits for 1981-82, arising mainly from further growth at Norman's and a further reduction in interest costs. Group fixed assets £3.78m (£4.39m). Net current assets £1.51m (£0.75m). Short term borrowings (secured) £0.66m (£1.31m). Shareholders' funds £3.86m (£2.98m). Employees' savings related share option scheme is proposed. Meeting, Empire House, SE, October 1, 10 am.

J. and J. Dyson (refractory materials and articulated trailers)—Results for the year ended March 31, 1981, and prospects reported August 1. Shareholders' funds £12.85 (£13.19m). Fixed assets £6.5m (£6.43m); current assets £20.97m (£22.60m); current liabilities £13.58m (£13.47m), including bank overdrafts £7.31m (£5.85m). Historical pre-tax loss of £490,217 (£1.66m profit) increased to £2.04m on CCA basis. Meeting: Sheffield, September 25, noon.

AMSTEEL (steelwork fabricator)—Results for year to March 31 1981 already known. Shareholders' funds £1.88m (£1.62m), fixed assets £420,482 (£302,220), current assets £3.2m (£2.77m) including bank balances and cash of £64,110 (£171,315), net current assets £1.43m (£0.96m), increase in net liquid funds £207,260 (£512,118). Meeting, Windsor, October 9 at noon.

OWEN AND ROBINSON (retail jeweller)—Results for year to May 31 1981 reported August 4. Shareholders' funds £1.03m (£695,295); fixed assets £616,068 (£296,189); net current assets £424,622 (£415,807) including cash and bank balances £20,936 (£14,987) and secured bank overdraft £81,108 (£81,708). Meeting: York, October 8, 3 pm.

STEINBERG GROUP (ladies' clothing and handbags)—Results for year to March 28, 1981 reported July 31. Total shareholders' funds £5.6m (£6.97m). Term loans £0.84m (£1.11m). Fixed assets £2.56m (£2.76m). Net current assets £1.92m (£3.59m). Working capital decreased £1.74m (£0.33m increase). Chairman is confident that reorganisation of company's activities will provide a firm base from which a strengthened management will build a return to profits and take advantage of any upturn in trade. Meeting, Grosvenor House, W, October 1, noon.

EUROPEAN OPTIONS EXCHANGE

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

T—U—V

TACE (10p) 25
TSL Thermal Synd. PLC 113
Talbex Group (5p) 4¼
Tarmac (50p) 418 9 21
Tate Lyle (£1) 182 3 4 5 6 8. 13pcLn. 92½
Tavener Rutledge (20p) 28 30 (1/9)
Taylor Woodrow 570 2
Tecalemit PLC 44½ 6
Telefusion (5p) 46 7 (1/9). ANon-Vtg. (5p) 46 (1/9)
Telephone Rentals 357 8 60 1 3
Tern-Consulate 53 (1/9)
Tesco Stores (Hldgs.) (5p) 65½ 6 ½ 7 ½
Tex Abrasives (10p) 54 6 7 (2/9)
Textured Jersey (10p) 100 1 5
Thomas Nationwide Transport ($A0.50) 148 52
Thorn EMI PLC 475 6 7 8 9 80 2 3. 7pc2ndPf. (£1) 129½ 30 ½ 1 ½
Thurgar Bardex (10p) 11 2
Tiger Oats National Mig. (R1) 898‡ 900‡ (1/9)
Tilbury Contracting Group (£1) 268
Tilling (T.) (20p) 176 7 8 9. New (20p) 180 (2/9)
Time Products (10p) 51
Titaghur Jute Factory (£1) 55 60 (2/9)
Tootal 30½ 1
Toothill (R. W.) 47 (2/9)
Toshiba Corp. (Y50) 100 2 3 4
Towles A (10p) 46 (1/9)
Tozer Kemsley Millbourn (20p) 74 5 6

INSURANCE (331)

Brentnall Beard (Hldgs.) (10p) 270
Britannic Assurance (5p) 296 8
Commercial Union Assurance 184 ½ 8 9
Eagle Star Hldgs. 308 9 11
Edinburgh Gen. Ins. Serv. 20
Equity & Law Life Assur. (5p) 434 8
Gen. Acc. Fire & Life Assur. Corp. 6 8 90 2
Guardian Royal Exchange Ass. 352 4 8 9 60
Hambro Life Ass. (5p) 426 7 8 9
Heath (C. E.) (20p) 308 10
Hogg Robinson Grp. 114 6
Howden (Alexander) Finance Warrants (1/9)
Howden (Alexander) Grp. (10p) 143
Legal and General Grp. 263 4 6 7
London and Manchester Ass. (5p)
London Utd. Invs. (20p) 212 3
Marsh and McLennan ($1) 18

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Sept 7	Sept 18	Dec 3	Dec 14
Sept 21	Oct 2	Dec 17	Dec 28
Oct 5	Oct 16	Dec 31	Jan 11

For rate indications see end of Share Information Service

Calls were arranged in RTZ, Premier Oil, Woodside, Royal Bank of Scotland, Lonrho, Renold, Weir, Moben, MDW and Berec. Puts were done in Hutchison Whampoa and ICI, while doubles were taken out in ICI, RTZ and BSR.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
BAT Inds.	373	−12	G.R.E.	348	−6
Bowater	254	−8	Plessey	376	−16
BP	304	—	Rand London	168	−24
Ferranti	600	−25	RTZ	532	−28
GEC	790	−20	Shell Transport	366	−4
Grand Met.	193	−5	Thorn EMI	485	−10

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
Dowty	17	258	−18	Hanson Trust	10	300	+3
RTZ	15	560	−5	Royal Ins.	10	410	+5
Bowater	13	262	−11	Shell Trans.	10	370	−2
BP	12	304	−6	Weir Group	10	43½	+2
Plessey	12	392	−6	Euro. Ferries	9	94	−1
Babcock Int.	10	109	−4	Courtaulds	8	64	—
GEC	10	810	—	Midland Bank	8	348	—

5-DAY ACTIVE STOCKS

Based on bargains over the four-day period ending Thursday

Stock	No. of price changes	Thurs. closing price pence	Change on week	Stock	No. of price changes	Thurs. closing price pence	Change on week
RTZ	55	560	−30	Racal Elect.	37	465	+4
GEC	46	810	+11	ICI	36	270	−4
Plessey	44	392	+1	Ultramar	36	498	+3
Brit. Aerospace	40	246	—	Bowater	35	262	−15
Weir Group	38	43½	+8½	Rugby P. Cmnt.	35	88	−4
G.R.E.	37	354	−18	Imperial Grp.	33	65	+6
Letraset	37	147	+27	Royal Ins.	33	410	+3

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	13½	½-year	1,000	1-3

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	Term shares* %	
Abbey National	8.25	8.50	9.75	10.50	5 yrs., 10.00, 4 yrs., 9.50 3 yrs.
Aid to Thrift	9.20	9.45	—	—	
Alliance	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs., 9.50 3 months' notice
Anglia	8.25	8.50	9.75	10.50	5 yrs., 9.50 1 mth. notice int. loss
Bradford and Bingley	8.25	8.50	9.75	9.50	1 month's notice deposit
Bridgwater	8.25	8.50	10.00	10.50	5 yrs., 9.60 2½ yrs.
Bristol Economic	8.25	8.50	9.75	9.25	3 mths'. not. & 9.50 on balances of £10,000 and over. Escalator shares 9.00-10.50 (1-5 yrs.)
Britannia	8.25	8.50	9.75	10.00	5 yrs., 9.50 3 months' notice
Burnley	8.25	8.50	9.75	10.50	5 yrs., 9.50 3 months' notice
Cardiff	8.25	9.50	10.50	—	
Catholic	8.25	8.75	9.75	—	8.95 over £5,000
Chelsea	8.25	8.50	9.75	10.50	5 yrs., 9.90 1 yr., 9.50 3 months
Cheltenham and Gloucester	8.25	8.50	9.75	—	
Citizens Regency	—	8.75	10.00	10.75	5 yrs., 9.75 3 yrs., 9.25 1 yr.
City of London (The)	8.50	8.75	9.60	10.00	Capital City shs.—4 mths. notice
Coventry Economic	8.25	8.50	9.75	10.00	4 yrs., 9.75, 3 yrs., 9.50 3 months
Coventry Provident	8.25	8.50	10.50	10.55	av. 5 yr., 10.00 4 yr., 9.25 3 mths.
Derbyshire	8.25	8.50	9.75	9.00	to 9.50 3 months.
Ealing and Acton	8.25	9.00	—	9.65	2 years, £2,000 minimum
Gateway	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Gateway	—	9.50	—	—	Plus a/c £500 min. Int. ½-yearly
Greenwich	—	8.75	10.00	10.75	5 yrs., 10.25 4, 9.75 3, 9.50 2 yrs. 3 months' notice shares 10.00
Guardian	8.25	8.75	—	10.00	3 mth., 10.50 6 mth., min. £1,000
Halifax	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Heart of England	8.25	8.50	9.75	—	3 mths'. notice 9.50, 5 yrs. 10.50
Hearts of Oak and Enfield	8.25	8.75	10.25	10.00	4 yrs., 9.75 3 yrs., 9.50 2 yrs.
Hendon	8.75	9.25	—	10.25	6 months, 10.00 3 months
Huddersfield and Bradford	8.25	8.50	9.25	10.00	5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs.
Lambeth	8.25	8.75	10.50	10.75	5 yrs., 10.50 6 mths.
Leamington Spa	8.35	8.60	11.50	10.10	(1 year)
Leeds Permanent	8.25	8.50	9.75	9.25	E. I. a/c £500 min., 9.50 £5,000+
Leicester	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Liverpool	8.25	8.50	9.80	10.50	5 yrs., 9.55 1 month int. penalty
London Grosvenor	8.25	9.00	11.00	9.50	6 months' notice
Melton Mowbray	8.35	8.60	9.75	10.10	4 yr., 8.85 (up to £1,000) 3 mths. not., 9.60 (over £1,000) 3 mths.
Mornington	9.10	9.60	—	—	
National Counties	8.50	8.80	9.80	9.50	35 days' notice, min. dep £500, 6 mth. 9.90, 11.00 at 9 mths. not.
Nationwide	8.25	8.50	9.75	10.50	5 yrs., £500 min. 90 days' not. bonus a/c 9.25 £2,500 min., 9.50 £10,000 + 28 days' not.
Newcastle	8.25	8.50	9.75	10.50	4 yrs., 9.25 2 months' notice
New Cross	9.00	9.25	—	9.25	10.00 on share accs., depending on min. balance over 6 mths.
Northern Rock	8.25	8.50	9.75	10.50	5 yrs. 10.00 4 yrs., 9.50 3 yrs.
Norwich	8.25	8.50	10.00	9.50	3 yrs., 9.25 2 yrs., min. £500
Paddington	8.00	9.00	10.50	10.00	Loss 1 mth. int. on sums wdn.
Peckham Mutual	8.50	9.50	—	10.00	2 y, 10.50 3 y, 11.00 4 y, 9.75Bns
Portman	8.25	8.50	9.75	10.50	5 yrs., 9.55 6 months' notice
Portsmouth	8.60	8.80	10.30	10.85	(5 yrs.), 10.25 (6 months)
Property Owners	8.50	9.00	10.50	10.50	5 yrs., 10.50 6 mths., 9.80 3 mths.
Provincial	8.25	8.50	9.75	10.00	3 yrs.
Skipton	8.25	8.50	9.75	10.50	5 yr., 9.6-9.75 28 dys. int. on wdl.
Sussex County	8.50	8.75	10.55		11.00-9.50 (6-2 yrs.), 9.25 2 mths. not.
Sussex Mutual	8.50	9.10	10.50		9.25-10.50 all with special options
Town and Country	8.25	8.50	9.75	10.50	5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Walthamstow	8.25	8.75	9.75	9.75	6 months' notice, min. £1,000
Wessex	8.50	9.60	—	—	
Woolwich	8.25	8.50	9.75	10.50	5 yrs., 8.75 6 mths. 3 months' notice account 9.50

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

MONEY MARKETS

London clearing banks base lending rates 12 per cent

The Treasury bill rate fell by 0.1099 per cent at yesterday's tender ot 13.0768 per cent and the minimum accepted bid rose to £96.73 from £96.705. Bids at that level were met as to about 63 per cent and above in full. *The £100m of bills on offer* attracted bids of £420.17m against £334.91m the previous week and all bills offered were allotted. Next week a further £100m of bills will be on offer, replacing a similar amount of *maturities.*

The Bank of England's early *forecast suggested a shortage of* around £300m with eligible bills for repurchase by the market totalling —£220m and an increase in the note circulation estimated at —£100m. The fore-cast was amended at noon to a shortage of about £250m and the authorities gave assistance worth £190m, with no further business during the afternoon. The early help combined with further revisions was estimated as leaving the market flat. The help comprised £5m eligible bank bills in band 1 at 12 15/16 per cent; £4m of Treasury bills in band 2 at 12⅞ per cent; £29m of local authority bills in band 2 at 12 13/16 per cent and £152m of eligible bank bills in band 2 at 12 13/16-12⅞ per cent.

The Bank's early forecast raised a few eyebrows in the market and this was borne out later on when, even after a *downward revision in the size of* the shortage, short term money fell as low as 5 per cent. Opening levels were nearer 12½ per cent while late balances commanded 10 per cent.

EXCHANGES AND BULLION

Trading was extremely quiet in currency markets yesterday ahead of the long weekend in the U.S. There was little incentive to take up new positions in view of the three-day break and the dollar tended to ease generally. It recovered some ground briefly during the afternoon after the Federal authorities had tightened domestic liquidity by draining reserves *but fell back soon after. The* dollar's easier trend was mainly a reflection of its weaker performance against the D-mark which tended to drag down the dollar against other European currencies. Against the D-mark the U.S. unit fell to DM 2.4125 from DM 2.4260 on Thursday and SwFr 2.0975 from SwFr 2.1200. It was also down against the Japanese yen at Y229.75 compared wit hY230.30 *and closed at FFr 5.80 from* FFr 5.8275. On Bank of England figures, the dollar's index fell from 110.4 to 110.3.

Sterling failed to capitalise on the dollar's weaker trend and its trade weighted index fell to 90.5 from 90.8, having stood at 90.6 at noon and 90.5 in the morning. *Against the dollar it opened* at $1.8450 and was trading around this level at noon. During the afternoon it touched a best level of $1.8520 as New York *entered the market as net sellers* of dollars. By 3 pm however it had slipped back to $1.8450 and touched a low point of $1.8400 before finishing at $1.8425-1.8435, *a fall of 20 points from Thurs*day's close in London.

Gold rose just $2 an ounce in the London bullion market in *quit trading to close at $437-439.*

THE POUND SPOT AND FORWARD

Sept 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8400-1.8520	1.8425-1.8435	0.68-0.78c dis	—4.75	2.18-2.28 dis	—4.84
Canada	2.2040-2.2160	2.2070-2.2080	1.58-1.68c dis	—8.86	4.20-4.40dis	—7.79
Nethlnd.	4.92½-4.97½	4.93¾-4.94¾	⅛-⅝c dis	—0.91	⅛-⅝ dis	—0.30
Belgium	72.80-73.30	72.85-72.95	35-45c dis	—6.58	130-140 dis	—7.41
Denmark	13.94-14.01	13.95-13.96	7¼-8¼ore dis	—6.66	16-17¼ dis	—4.84
Ireland	1.2170-1.2270	1.2180-1.2200	0.32-0.43p dis	—3.69	0.98-1.11dis	—3.43
W. Ger.	4.43½-4.46	4.44¼-4.45¼	⅝-⅛pf pm	1.01	1¾-1¼ pm	1.35
Portugal	120.20-121.30	120.50-120.80	60-145c dis	—10.19	195-390 dis	—9.70
Spain	175.75-180.00	178.90-179.20	85-115c dis	—6.70	255-295 dis	—6.14
Italy	2232-2241	2233-2235	29¾-31¾lire dis	—16.79	98½-101½dis	—17.90
Norway	11.12-11.19	11.14-11.15	½ore pm-¾ dis	—0.13	1¾-¾ pm	0.36
France	10.67-10.73	10.68-10.69	8¾-9¾c dis	—9.83	28¼-29¾dis	—10.76
Sweden	9.55-9.60	9.57½-9.58½	1¾-2¾ore dis	—2.19	2¾-3¾ dis	—1.20
Japan	422-427	423-424	2.10-1.80y pm	5.52	6.70-6.40 pm	6.19
Austria	31.25-31.40	31.30-31.35	8-1gro pm	1.34	7 pm-3 dis	0.25
Switz.	3.85½-3.90½	3.86¼-3.87¼	⅞-⅜c pm	1.84	3¼-2¾ pm	3.10

Belgian rate is for convertible francs. Financial franc 79.55-79.65
Six-month forward dollar 4.13-4.23c dis. 12-month 6.80-7.00c dis.

GOLD

	Sept. 4		Sept. 3	
Gold Bullion (fine ounce)				
Close	$437-439	(£237-238)	$435-437	(£235⅛-236⅛)
Opening	$441-443	(£239-240)	$435⅛-437⅛	(£235¾-236¾)
Morning fixing	$440.25	(£238.398)	$435.25	(£235.398)
Afternoon fixing	$439.50	(£237.889)	$436.50	(£236.214)
Gold Coins				
Krugerrand	$451¼-452¼	(£244¾-245¼)	$448½-449½	(£242¾-243¼)
1/2 Krugerrand	$232¼-233¼	(£126-126½)	$234-235	(£126¾-127¼)
1/4 Krugerrand	$118¼-119¼	(£64¼-64¾)	$119-120	(£64½-65)
1/10 Krugerrand	$48¼-49¼	(£26¼-26¾)	$50-51	(£27-27½)
Mapleleaf	$451¼-452¼	(£244¾-245¼)	$448½-449½	(£242¾-245¼)
New Sovereigns	$109¼-109¾	(£59¼-59½)	$108¼-109	(£58½-59)
King Sovereigns	$122-124	(£66¼-67¼)	$122-124	(£66-67)
Victoria Sovs	$122-124	(£66¼-67¼)	$122-124	(£66-67)
French 20,s	$126-131	(£68¼-71)	$125-131	(£67¾-71)
50 pesos Mexico	$544-547	(£295¼-296¾)	$541-544	(£293-294½)
100 Cor. Austria	$425-428	(£230½-232¼)	$422-425	(£228½-230)
$20 Eagles	$578-583	(£313½-316¼)	$575-580	(£311¼-314)

EXCHANGE CROSS RATES

Sept. 4	PoundSterling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.843	4.448	423.5	10.665	3.686	4.943	2234.	2.208	72.90
U.S. Dollar	0.543	1.	2.413	229.8	5.798	2.098	2.682	1212.	1.198	39.56
Deutschemark	0.225	0.414	1.	95.22	2.402	0.870	1.111	502.3	0.496	16.39
Japanese Yen 1,000	2.361	4.352	10.50	1000.	25.23	9.132	11.67	5275.	5.213	172.1
French Franc 10	0.936	1.725	4.162	396.4	10.	3.620	4.626	2091.	2.066	68.23
Swiss Franc	0.259	0.477	1.150	109.5	2.763	1.	1.278	577.6	0.571	18.85
Dutch Guilder	0.202	0.373	0.900	85.69	2.162	0.782	1	452.0	0.447	14.75
Italian Lira, 1,000	0.448	0.825	1.991	189.5	4.783	1.731	2.212	1000.	0.988	32.63
Canadian Dollar	0.453	0.835	2.015	191.8	4.840	1.752	2.239	1012.	1.	33.02
Belgian Franc 100	1.372	2.528	6.101	580.9	14.66	5.305	6.780	3064.	3.028	100

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Sept. 4	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	12¼-12½	17-17¼	21-22	13⅝-13¾	—	11⅞-12	18-20	—	12½-17½	7-7¼
7 days' notice	12⅞-13⅛	17⅛-17⅜	21-22	13⅝-13¾	9-10	12-12⅛	19-21	24-27	15-19	7⅛-7¼
Month	13 3/16-13 5/16	17 15/16-18 1/16	21¾-22⅛	13¾-13⅞	10⅝-10¾	12⅛-12¼	24-25	29¾-31¼	19¾-21½	7⅜-7½
Three months	13¾-13⅞	18 7/16-18 9/16	21⅛-21⅜	13¾-13⅞	10 7/16-10 9/16	12⅜-12½	24-25	31¾-32¾	21-21¾	7⅜-7½
Six months	14-14⅛	18⅝-18⅞	20⅝-21	13 11/16-13 13/16	10 7/16-10 9/16	12⅝-12¾	23½-24½	30¾-31¾	20-20¾	7 7/16-7 9/16
One Year	14⅛-14¼	17 15/16-18 3/16	19⅝-20	13 5/16-13 7/16	9⅜-9½	12 7/16-12 9/16	22-23	29¾-30¾	18½-19⅜	7 7/16-7 9/16

SDR linked deposits: one-month 16¾-18⅛ per cent; three-months 16⅞-18¼ per cent; six-months 16⅞-16⅞ per cent; one-year 15⅞-16 per cent.
SCU linked deposits: one-month 17 7/16-17 13/16 per cent; three-months 17 7/16-17 15/16 per cent; six-months 17 9/16-17 11/16 per cent; one-year 16⅞-17 per cent.
Asian $ (closing rates in Singapore): one-month 18 1/16-18 3/16 per cent; three-months 18⅜-18⅝ per cent; six-months 18⅜-18⅞ per cent; one-year 18 1/16-18 3/16 per cent.
Long-term Eurodollar two-years 17⅜-17⅝ per cent; three-years 17-17¼ per cent; four-years 16¾-17 per cent; five-years 16⅝-16⅞ per cent; nominal closing rates.
The following nominal rates were quoted for London certificates of deposit: one-month 17.85-17.95 per cent; three-months 18.30-18.40 per cent; six-months 18.45-18.55 per cent; one-year 17.80-17.90 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 4)

3 months U.S. dollars		6 months U.S. dollars	
bid 18 9/16	offer 18 11/16	bid 18 11/16	offer 18 13/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rate for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Sept. 4 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	5-12⅝	12¼-12⅞	—	—	12¼-12¾	4-12½	—	—	—
2 days notice	—	—	12⅞-13	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12½-13⅞	13⅛-13¼	—	12⅞	12¾-13⅛	12⅛-12⅜	—	—	—
One month	13⅜-13⅛	13⅛-13⅜	13⅝	14¼-14	13 7/16	13⅝-13⅛	12¾	12 11/16-12 13/16	12 13/16-12 15/16	13⅞
Two months	13⅛-13 7/16	13⅝-13⅛	—	14¼-14	13⅝	13¾-13⅞	13	12 13/16	12 15/16-13	13⅞
Three months	13¾-13 9/16	13⅝-13 11/16	13⅞	14¼-14	13¾	13⅞-14	13⅛	13 1/16-13⅛	13 1/16	13⅞
Six months	14-13⅞	13 15/16-14⅛	14	13¾-13⅛	14⅛	—	—	—	13 3/16	14
Nine months	14⅛-14	14 1/16-14⅛	—	14⅜-14	14 3/16	—	—	—	—	—
One year	14 5/16-14 1/16	14 1/16-14¼	14⅝	14⅜-14	14 5/16	—	—	—	—	—
Two years	—	—	14⅞	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 14½ per cent; four years 14⅝ per cent; five years 14¾ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13¼ per cent; four-months trade bills 13⅞ per cent.
Approximate selling rate for one-month Treasury bills 12 9/16-12 11/16 per cent; two-months 12 13/16 per cent; three-months 13 per cent. Approximate selling rate for one-month bank bills 12 13/16-12¾ per cent; two-months 12⅞ per cent and three-months 13 1/16-13⅛ per cent; one-month trade bills 13¼ per cent; two-months 13⅜ per cent and three-months 13⅜ per cent.
Finance Houses Base Rates (published by the Finance Houses Association) 14½ per cent from September 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rate of discount 13.0768 per cent.

CURRENCY MOVEMENTS

Sept. 4	Bank of England Index	Morgan Guaranty Changes%
Sterling	90.5	—32.9
U.S. dollar	110.3	+3.6
Canadian dollar	88.7	—16.6
Austrian schilling	112.0	+22.3
Belgian franc	105.3	+9.2
Danish kroner	86.4	—10.8
Deutsche mark	117.1	+39.2
Swiss franc	135.2	+82.3
Guilder	108.6	+14.6
French franc	82.2	—12.1
Lira	57.2	—55.9
Yen	140.7	+34.8

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

OTHER CURRENCIES

Sept. 4	£	$		£ Note Rates
Argentina Peso	9957-9987†	5383-5403†	Austria	31.20-31.60
Australia Dollar	1.6005-1.6045	0.8695-0.8700	Belgium	79.25-80.05
Brazil Cruzeiro	188.99-189.99	102.18-102.69	Denmark	13.91-14.06
Finland Markka	8.342-8.350	4.5240-4.5280	France	10.65-10.86
Greek Drachma	107.655-110.828	59.18-59.25	Germany	4.45½-4.48½
Hong Kong Dollar	10.94¼-10.96¼	5.9330-5.9380	Italy	2195-2260
Iran Rial	149.35*	81.15*	Japan	424-429
Kuwait Dinar (KD)	0.518-0.524	0.2829-0.2832	Netherlands	4.93-4.98
Luxembourg Fr.	72.85-72.95	39.54-39.56	Norway	11.11-11.23
Malaysia Dollar	4.3625-4.3725	2.3650-2.3680	Portugal	118¼-126¾
New Zealand Dlr.	2.2150-2.2250	1.2025-1.2035	Spain	174-185¼
Saudi Arab. Riyal	6.27-6.33	3.4195-3.4220	Sweden	9.53-9.63
Singapore Dollar	3.9875-3.9975	2.1610-2.1630	Switzerland	3.85¾-3.89¾
Sth. African Rand	1.7435-1.7445	0.9460-0.9470	United States	1.83¾-1.85¾
U.A.E. Dirham	6.74-6.80	3.6590-3.6720	Yugoslavia	75-08

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 13,726-13,746 and for the dollar 7,400-7,450. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 4	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.0834	+0.70	+1.20	±1.5361
Danish Krone	7.91917	7.84932	—0.88	—0.38	±1.6413
German D-Mark	2.54502	2.50692	—1.50	—1.00	±1.1386
French Franc	5.99526	6.01453	+0.32	+0.82	±1.3638
Dutch Guilder	2.81318	2.78115	—1.14	—0.64	±1.5159
Irish Punt	0.685145	0.687606	+0.36	+0.86	±1.6688
Italian Lira	1262.92	1255.79	—0.56	—0.56	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

U.K. CONVERTIBLE STOCKS 5/9/81

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates⊕	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(—)◇ Current
British Land 12pc Cv. 2002	9.60	307.00	333.3	80-97	4.0	1.2	1.2	— 4 to 2	16.3	89.6	24.2	+23.0
Hanson Trust 6½pc Cv. 88-93	3.02	159.00	57.1	76-82	4.1		— 7.2	— 7 to —0	4.2	0.0	— 2.4	+ 4.8
Slough Estates 10pc Cv. 87-90	5.31	247.50	187.5	78-84	4.1		— 6.4	— 8 to —1	18.6	21.6	1.1	+ 7.5
Slough Estates 8pc Cv. 81-94	24.88	119.00	78.0	80-91	6.6	5.6	8.2	6 to 14	27.2	46.2	17.2	+ 9.0

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible of the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value *of underlying equity. + is an indication of relative cheapness, — is an indication of relative dearness. ⊕ Second date is assumed date of conversion.* This is not necessarily the last date of conversion.

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

American Oil Field Systems PLC 121 2
Aran Energy (IR£0.20) 50 2
Atlantic Resources (IR£0.25) 275 80 3
Berkeley Exploration Production 330 5
Candecca Resources 191 2 3
Eglinton Oil Gas 105 15 (2/9)
Kenmare Oil Exporation (IR£0.25) 20
Marinex Petroleum 142 3
Steaua Romana (British) 70 5
Sun. Oil (UK) (Oil Royalty Stock) 270

(By permission of the Stock Exchange Council)

Equity leaders bow to current Wall Street weakness and increasing fund-raising pressures—Golds react

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Aug 10	Aug 26	Aug 27	Sept 7
Aug 28	Sept 10	Sept 11	Sept 21
Sept 14	Sept 24	Sept 25	Oct 5

* "New-time" dealings may take place from 9.30 am two business days earlier.

Renewed weakness on Wall Street—the Dow Jones fell to a 15-month low on Thursday—finally made its mark on London equity markets yesterday. Sentiment was also adversely affected by **John Brown**'s call for nearly £25m in the wake of Trusthouse Forte's £87m rights issue on Tuesday and fears that further fund-raising proposals may be in the pipeline.

The downslide largely reflected dealers' markdowns of leading shares rather than any rush of sellers. Institutional business was virtually non-existent. Professional bear-covering halted the fall for a brief spell, but the leaders soon began to drift lower again. Most were at the day's lowest at the official, 3.30 pm, close but many improved marginally after-hours. The FT Industrial Ordinary share index, 14.2 lower at 3.00 pm, closed a net 13.1 down at 554.9; this was its heaviest single-day loss since May 5.

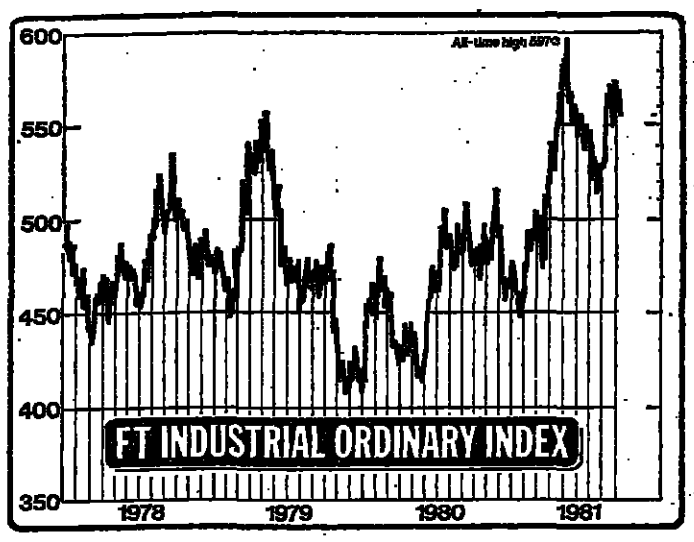
Few top-quality industrials escaped the depression, but **Glaxo** responded to Government approval to market its new drug Zantac. **British Petroleum**, which reported gloomy interim results on Thursday, were steadied by sizeable traditional option business and closed unchanged. **John Brown** reacted sharply to the rights issue announcement but settled above the worst. **Pilkington** wilted badly on the chairman's warning about current trading.

Wall Street worries about the U.S. budget deficit and the continued maintenance of high interest rates there stifled enthusiasm for Gilt-edged securities. In consequence, longer maturities eased back until finding limited support at the lower levels which checked the decline. Final losses ranged from ¼ to ½ among selected high-coupon issues, but the shorts regained minor falls and closed unaltered on balance.

An active business in **British Petroleum** boosted the number of contracts completed in Traded options to 1,630. BP recorded 648 calls, with particular attention being paid to the October 300's which accounted for 380. **RTZ** came in for renewed support in front of the forthcoming annual results and recorded 271 calls, while **Grand Metropolitan** and **Courtaulds** attracted 131 and 185 calls respectively. The short week's daily average amounted to 1,008.

Standard down

Jeavons Engineering, hived off from Pentos, made its market debut at 55p compared with the offer price of 62p.



The surrounding gloom and revived rumours that **Midland** may soon announce a sizeable rights issue to help finance its £447m Crocker National deal made for quietly dull conditions in the major clearing banks. **Midland** lost 6 to 342p and **Lloyds** shed a similar amount to 412p. **NatWest** gave up 4 to 398p and **Barclays** 3 to 455p. Elsewhere, **Standard Chartered** dipped 15 to 645p on sporadic offerings ahead of Tuesday's interim results. Merchant banks eased in places with **Guinness Peat** closing 4 off at 97p and **Hambros** 3 down at 180p. Despite the first-half profits recovery, **Cattles Holdings** softened a fraction to 28p in Hire Purchases.

Still reflecting disappointing interim results, **GRE** lost 6 more making a fall on the week of 28 at 348p, while **Phoenix** shed 8 to 300p for a similar reason. **General Accident** declined 10 to 376p and **London United Investments** receded 7 at 208p; the latter's first-half figures are due on Tuesday.

Breweries drifted lower for want of attention. **Bass** gave up 5 to 236p, while falls of around 3 were recorded in **Scottish and Newcastle**, 52½p, and **Whitbread**, 176p. Wines and Spirits also trended to lower levels. **Distillers** declined 9 to 206p following the liquidation of several bull positions. **Arthur Bell**, annual results due later this month, eased a couple of pence to 136p, as did **Invergordon**, 178p, and **Tomatin**, 75p. Dealings in **Amalgamated Distilled Products**, suspended at 86p on July 2, were resumed following the acquisition of George Morton and North West Vintners and the £2.6m rights issue to finance the deals: opening at 81p, the shares attracted a useful two-way business and touched 85p before closing at 80p with the nil-paid fluctuating between 17p premium and 24p premium before closing at 20p premium.

Most Building issues lost ground, but the leaders sometimes closed above the worst. **Blue Circle** were marked down to 512p, but rallied to close 4 cheaper on balance at 516p, while **Tarmac** settled a couple of pence off at 417p. Elsewhere, **Wilson (Connolly)**, a rising market recently in front of next Wednesday's interim results, shed 8 to 200p, while **Derek Crouch** lost 11 for a two-day fall of 21 to 172p on the uninspiring half-yearly profits and the Board's none-too-optimistic statement. Among the isolated firm spots, **M.D.W.** touched 86p before closing 4 up at 94p on revived bid hopes, while demand in a thin market lifted **Nottingham Brick** 7 to 142p. **Thomas Warrington** put on 5 to 84p on news that Espley-Tyas had increased its stake in the company to 18.15 per cent, while **Wettern Brothers** added a penny more to 83p on the increased offer from **Marshalls (Halifax)** for its Mono Concrete subsidiary; Marshalls shed 4 to 96p.

Marked defensively lower at the outset, **ICI** staged a modest rally in late dealings to close 4 cheaper at 268p, after 264p. **Fisons** also finished 4 off, at 158p, while falls of 3 were marked against **Brent Chemicals**, 115p, **Anchor**, 77p, and **Allied Colloids**, 136p. Against the trend, further demand ahead of the annual results, due next Thursday, left **Stewart Plastics** another 2 dearer at 148p.

In the general malaise, leading Stores ended with falls to 5. **Gussies "A"** shed that much to 468p, while **British Home** declined 4 to 141p. **Debenhams**, 87p, **House of Fraser**, 178p, and **UDS**, 77p, all eased 2. Secondary issues also displayed an easier bias, although selective support was evident at the lower levels. **Foster Bros. Clothing** remained out of favour and fell 4 to 66p for a loss on the week of 14. Electrical retailers lacked support; **Dixons Photographic**, 167p, and **Currys**, 193p, gave up 6 and 7 respectively. In contrast, **Lowland Drapery** added a couple of pence to 27p following the interim statement.

Plessey down again

The Electrical leaders became major casualties in the general setback. Additionally aggravated by comment on the first-quarter results, **Plessey** fell 16 to 376p. **GEC** lost 20 to 790p, **Racal** 11 to 455p and **Thorn EMI** 10 to 465p. Ahead of Wednesday's interim figures, **BICC** closed 9 off at 286p. Secondary issues were also friendless with **Ferranti** notable for a loss of 25 to 600p, after 597p.

The surprise announcement of a near-£25m rights issue prompted a swift mark-down in **John Brown** which were lowered to 83p before closing a net 7½ down at 84½p. Other Engineering majors gave ground in sympathy. **Hawker**, an unsettled market earlier this week on talk of possible U.S. defence spending cuts, lost 6 more to 340p, after 338p, while **Vickers** declined 7 to 175p and **GKN**, 168p, and **Tubes**, 142p, receded 4 apiece. Elsewhere, **G. M. Firth** gave up 7 to 149p and **APV** 5 to 245p. **Stone-Platt** cheapened 1¼ to 15½p on further consideration of the poor first-half results. By way of contrast, *Whessoe put on* 6 to 134p and **Jones and Shipman** added 4 to 56p.

Pilkington slump

Foods were subjected to a certain amount of selling in the first hour's trading and closed at the day's lowest apart from **Tate and Lyle**, which rallied to close unchanged on balance at 186p, after 182p. Profit-taking in the wake of the interim results clipped a couple of pence from **Cadbury Schweppes**, 96p, while **United Biscuits**, half-yearly results next Thursday, shed 4 to 132p. Among Retailers, **J. Sainsbury** gave up 10 to 470p and **Tesco** 2 to 65p.

Trusthouse Forte shed 4 to 126p for a fall on the week of 10 following the surprise £87m rights issue. Fund-raising rumours continued to plague **Grand Metropolitan** which gave up 5 to 193p.

Demoralised by the overnight slump on Wall Street and John Brown's surprise rights issue, the miscellaneous industrial leaders were further unsettled in the late trade by Pilkington's gloomy annual report. **Pilkington** fell sharply to finish 27 down at 328p, while **Reckitt and Colman** closed 8 lower at 292p ahead of Tuesday's *interim figures*. Still plagued by rumours that the group will announce a sizeable rights issue with Wednesday's half-yearly statement, **Bowater** dropped to 250p before closing 8 down making a two-day relapse of 19 at 254p. **Unilever** shed 7 to 630p and **Reed International** 6 to 274p, while **Boots** gave up 4 to 237p as did **BOC**, to 160p. **Glaxo** rallied from an initial dull level of 402p, to close 6 better on balance at 414p following permission for the group to sell its Zantac peptic-ulcer drug in the UK. Elsewhere,

BP steadier

Marked down at the outset in the wake of Wall Street's overnight decline, selected Oils encountered buyers at the lower levels and **British Petroleum**, aided by option business, improved from an initial 302p to touch 306p before reverting to the overnight level of 304p. A rally in **Shell** petered out and the price settled 4 cheaper on balance at 366p. Elsewhere, **Lasmo** gave up *10 to 520p and* **Tricentrol** 6 to 252p.

Shippings generally held close to the overnight positions with the notable exception of **Milford Docks** which continued to attract speculative demand in a restricted market and advanced 12 for a two-day gain of 25 to 140p.

Textiles usually showed modest losses. **Courtaulds** eased 2 to 62p, while the continued absence of bid developments clipped 6 more from **Sirdar**, 208p. **Sekers International** lost the turn at 20p following the full-year deficit and nominal dividend.

The overnight weakness in Wall Street prompted a sharp mark-down in large overseas earners **Bats** which closed 12 *lower* at 373p. Other Tobaccos also finished easier, **Imps** falling 3 to 62p and **Rothmans** 2 to 71p.

N. Mining suspended

A feature of mining markets was the reported forced selling of Australian issues following news that Endeavour Resources had withdrawn its takeover bid for Northern Mining and the subsequent suspension in dealings in the shares of Northern Mining.

This suspension, and the fact that large speculative funds have been involved in the takeover saga, prompted aggressive selling of all Australians.

Losses were widespread and sometimes substantial and were additionally aggravated by the recent spate of poor results from MIM Holdings, Peko-Wallsend and CRA.

Peko-Wallsend fell a further 10 to 385p while **MIM Holdings** and **CRA** gave up 2 apiece at 243p and 224p respectively. **Bond Corporation**, the parent company of Endeavour Resources, dropped 14 to 174p; **Endeavour** held at 26p.

Even Golds came under pressure despite the renewed strength in the metal price—finally $2 up at $438 an ounce. **Gold Mines of Kalgoorlie** touched 490p immediately following news of the increased full-year profits and dividend, but met sustained selling and closed a net 5 cheaper on balance at 480p.

Down-Under oil and gas issues reflected the weakness of the mining sector and tended to ignore further good news from the drilling rigs.

Santos dropped 10 to 385p despite the encouraging oil flow at the Tirrawarra 14 development well in the Cooper Basin, while **Strata** slipped 4 to 62p and **Woodside Petroleum** 2 to 88p.

The weakness of the Financial Rand precluded any interest in gold shares which accordingly drifted throughout the day and left the Gold Mines index 8.3 down at 381.8.

Financials were highlighted by **Rand London Corporation**, 24 lower at 168p and **Rand London Coal**, 7 cheaper at 85p following the poor results.

London issues showed **Rio Tinto-Zinc** a further 28 down at 532p—a week's loss of 61—still reflecting the 84 per cent fall in profits of CRA and fears of a sharp contraction in RTZ earnings which are due to be announced on September 16.

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (28)

BANKS (1)
Goode-Durrant Murray

BEERS (3)
Amalg'd Dist. Prods. Young 'A'
Bulmer (H. P.)

BUILDINGS (5)
Mowlem (J.) Ruberoid
Nott. Brick Warrington
Rohan Group

ELECTRICALS (1)
Pifco A

ENGINEERING (4)
Green's Economiser Lane (Percy)
Hallite Whessoe

INDUSTRIALS (8)
Brooks Watson Russell (A.)
Evode Sale Tilney
Extel Star Computer
Glaxo Trident Computer

INSURANCE (2)
Britannic Willis Faber

NEWSPAPERS (1)
Bristol Post

TRUSTS (2)
Grange Trust Scot. Cities 'A'

MINES (1)
Anglo American

NEW LOWS (36)

AMERICANS (1)
Crown Zellerbach

CANADIANS (1)
Hawker Siddeley Can

BANKS (1)
Guinness Peat

BUILDINGS (2)
Brown & Jackson Jones (Edward)

STORES (2)
Amber Day Foster Brothers

ELECTRICALS (2)
Newman Inds United Electronic

ENGINEERING (3)
Brooke Tool Westland
Desoutter

HOTELS (1)
Comfort Int.

INDUSTRIALS (2)
Borwick Timpo Sothebys

TRUSTS (3)
G.T. Global Rec. Yule Catto
Mexico Fund

OIL & GAS (5)
KCA Moonie Oil
KCA Drilling Woodside
Magellan Pet.

MINES (13)
Rand London Ayer Hitam
Rand Lond. Coal Pf. Gopeng Cons.
Greenbushes Hongkong Tin
Haoma Gold Kamunting
Oilmin Tongkah Harbour
Pancontinental Tronoh
York Resources

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	—	61	31	90	73	205
Corpns. Dom. and Foreign Bonds	3	7	59	42	9	225
Industrials	80	543	747	763	1,182	3,544
Financial and Props.	17	202	281	229	449	1,325
Oils	6	55	41	71	165	172
Plantations	4	2	17	18	19	57
Mines	14	87	67	156	233	283
Others	12	49	136	168	209	408
Totals	136	1,006	1,379	1,535	2,339	6,215

FINANCIAL TIMES STOCK INDICES

	Sept. 4	Sept. 3	Sept. 2	Sept. 1	Aug. 28	Aug. 27	A year ago
Government Secs	64.15	64.49	64.48	64.12	64.09	63.99	69.44
Fixed Interest	65.84	65.90	65.76	65.68	65.81	65.92	70.50
Industrial Ord	554.9	568.0	568.3	568.0	573.8	562.3	494.4
Gold Mines	381.8	390.1	386.1	383.5	378.7	383.3	420.0
Ord. Div. Yield	5.40	5.29	5.28	5.29	5.25	5.32	7.41
Earnings, Yld. % (full)	9.02	9.22	9.20	9.21	9.11	9.26	17.56
P/E Ratio (net) (*)	14.79	14.27	14.29	14.28	14.44	14.20	6.94
Total bargains	15,529	15,036	16,268	16,270	15,980	17,248	18,731
Equity turnover £m.	—	110.61	111.40	91.52	113.47	136.66	111.79
Equity bargains	—	11,937	12,236	11,734	12,057	14,628	14,088

10 am 55.4. 11 am 555.0. Noon 554.6. 1 pm 554.4. 2 pm 553.8. 3 pm 553.8.

Latest Index 01-246 8026.

Nil=13.07.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/5)	63.12 (21/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/5)	65.38 (21/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	421.1 (6/1)	262.6 (28/9)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 3	Sept. 2
—Daily Gilt Edged Bargains	136.8	144.8
Equities Bargains	77.3	79.5
Value	223.6	226.2
5-day Avrge. Gilt-Edged Bargains	140.9	148.8
Equities Bargains	81.1	81.8
Value	287.8	289.1

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Sept. 4, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs. Sept. 3 Index No.	Wed. Sept. 2 Index No.	Tues. Sept. 1 Index No.	Fri. Aug. 28 Index No.	Year ago (approx.) Index No.	1981 High	1981 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (214)	371.54	−1.9	9.55	4.17	13.07	378.92	378.41	378.61	380.30	286.35	380.30 (28/8)	272.28 (15/1)	380.30 (28/8/81)	50.71 (13/12/74)
2	Building Materials (25)	326.78	−2.1	11.75	5.23	10.45	333.72	333.09	331.43	330.48	253.15	334.34 (1/5)	236.82 (13/1)	334.34 (1/5/81)	44.27 (11/12/74)
3	Contracting, Construction (28)	595.55	−1.1	16.00	4.80	7.26	601.91	600.22	602.57	599.89	422.38	610.27 (30/4)	403.39 (8/1)	610.27 (30/4/81)	71.48 (2/12/74)
4	*Electricals (30)*	1228.57	−2.5	7.35	2.25	16.98	1259.89	1257.92	1255.35	1266.15	864.94	1266.15 (28/8)	888.13 (15/1)	1266.15 (28/8/81)	84.71 (25/6/62)
5	Engineering Contractors (10)	504.13	−0.3	12.73	5.41	9.25	505.68	503.80	505.68	505.08	341.91	512.20 (30/4)	374.44 (20/1)	512.20 (30/4/81)	64.39 (2/1/75)
6	Mechanical Engineering (69)	212.08	−1.6	11.37	5.38	11.36	215.54	215.98	216.98	218.93	183.19	230.26 (24/4)	162.47 (15/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (13)	170.37	−2.1	9.33	6.97	14.05	174.03	173.75	174.19	174.43	167.09	182.17 (1/5)	127.24 (14/1)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (21)	104.29	−2.1	1.64	6.64	—	106.49	106.56	107.25	108.07	100.94	112.76 (1/5)	84.67 (23/1)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (18)	393.90	−1.3	9.13	5.10	13.12	399.11	397.57	399.35	399.22	0.00	405.13 (14/8)	277.55 (15/1)	405.13 (14/8/81)	277.55 (15/1/81)
21	CONSUMER GROUP (195)	288.31	−1.8	11.91	5.56	10.37	293.60	292.29	292.87	294.09	248.67	296.18 (17/8)	227.50 (14/1)	296.18 (17/8/81)	61.41 (13/12/74)
22	Brewers and Distillers (20)	301.41	−2.4	14.83	6.40	8.11	308.77	309.28	309.47	311.83	291.09	325.16 (16/6)	244.42 (13/1)	325.16 (16/6/81)	69.47 (13/12/74)
25	Food Manufacturing (21)	274.52	−1.2	14.17	6.09	8.51	277.87	276.59	277.65	277.46	223.31	277.87 (3/9)	204.17 (14/1)	277.87 (3/9/81)	59.67 (11/12/74)
26	Food Retailing (14)	562.94	−1.7	8.74	3.15	13.66	572.90	568.06	569.36	568.20	387.27	572.90 (3/9)	440.89 (11/3)	572.90 (3/9/81)	54.25 (11/12/74)
27	Health and Household Products (7)	360.13	−1.0	7.69	4.08	15.53	363.73	361.20	361.19	363.53	234.23	363.73 (3/9)	245.38 (14/1)	363.73 (3/9/81)	175.38 (28/5/80)
29	Leisure (22)	453.39	−1.8	9.10	4.72	13.66	461.82	458.44	458.01	466.54	337.55	476.41 (14/8)	327.38 (16/1)	476.41 (14/8/81)	54.83 (9/1/75)
32	Newspapers, Publishing (12)	501.07	−1.5	12.34	5.90	11.59	508.89	511.37	514.89	514.02	431.84	526.15 (11/5)	419.04 (15/1)	526.15 (11/5/81)	55.08 (6/1/75)
33	Packaging and Paper (13)	149.48	−1.9	13.94	7.08	8.53	152.38	154.26	156.24	156.95	128.82	161.79 (1/5)	108.85 (14/1)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (44)	267.63	−1.7	10.79	4.97	12.37	272.34	269.83	270.26	270.60	241.30	294.06 (30/4)	238.15 (15/1)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (23)	163.88	−1.5	7.12	5.57	20.18	166.35	165.57	165.38	165.34	119.77	172.84 (30/4)	122.37 (19/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	*Tobaccos (3)*	259.46	−3.5	19.58	9.62	5.98	268.73	268.73	269.73	271.22	230.71	271.22 (28/8)	193.57 (19/1)	339.16 (2/8/72)	94.34 (13/6/62)
39	Other Consumer (16)	285.68	−1.4	4.27	5.90	59.97	289.85	291.18	290.47	291.61	0.00	311.40 (1/5)	231.28 (4/2)	311.40 (1/5/81)	231.28 (4/2/81)
41	OTHER GROUPS (79)	231.86	−1.6	9.90	6.18	13.08	235.55	236.24	235.33	236.27	227.59	249.19 (30/4)	203.40 (13/3)	249.19 (30/4/81)	58.63 (6/1/75)
42	Chemicals (15)	287.64	−1.6	4.72	6.32	40.73	292.21	293.23	291.90	295.92	315.85	320.04 (30/4)	235.35 (13/3)	329.77 (4/5/79)	71.20 (1/12/74)
44	Office Equipment (5)	114.35	−3.1	14.96	7.48	8.06	117.98	115.69	117.60	118.29	107.35	129.79 (22/4)	93.19 (14/1)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	529.46	−1.2	15.67	7.20	7.57	535.86	538.06	536.69	535.95	608.28	644.76 (24/4)	518.82 (15/1)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (46)	310.43	−1.4	12.40	5.41	9.72	314.68	313.37	314.32	312.68	283.15	314.68 (3/9)	249.71 (19/1)	314.68 (3/9/81)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (488)	308.55	−1.8	10.75	5.10	11.59	314.30	313.40	313.78	315.12	258.50	315.22 (17/8)	241.24 (15/1)	315.22 (17/8/81)	59.01 (13/12/74)
51	Oils (12)	706.81	−0.6	20.52	8.14	5.52	711.12	719.86	705.78	724.79	801.24	923.71 (2/1)	653.38 (9/7)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	340.90	−1.6	12.35	5.60	9.83	346.55	346.34	345.65	348.38	301.56	353.39 (17/8)	290.43 (14/1)	353.39 (17/8/81)	63.49 (13/12/74)
61	FINANCIAL GROUP (119)	275.32	−1.0	—	5.44	—	277.99	277.84	279.45	279.45	241.27	279.45 (1/9)	227.09 (19/1)	279.45 (1/9/81)	55.88 (13/12/74)
62	Banks (6)	280.84	−1.2	31.72	6.68	3.71	284.17	284.48	283.76	285.27	241.94	287.38 (17/7)	220.84 (11/3)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	267.38	—	—	8.43	—	267.38	268.51	268.83	268.83	286.36	314.03 (20/3)	262.30 (24/7)	314.03 (20/3/81)	81.40 (10/12/74)
64	Hire Purchase (3)	253.24	−0.8	12.09	7.18	11.45	255.27	255.27	255.27	255.82	223.78	274.53 (25/3)	194.82 (8/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	293.69	−0.7	—	5.19	—	295.78	295.92	298.44	297.31	241.26	298.44 (1/9)	222.74 (7/1)	298.44 (1/9/81)	44.88 (2/1/75)
66	Insurance (Composite) (9)	182.56	−1.3	—	7.23	—	184.92	184.38	188.09	187.64	171.15	188.09 (1/9)	142.06 (19/1)	188.09 (1/9/81)	43.96 (13/12/74)
67	Insurance Brokers (8)	434.82	−1.4	10.24	5.34	13.26	441.14	440.92	439.21	436.44	318.58	441.14 (3/9)	294.21 (20/1)	441.14 (3/9/81)	65.86 (16/12/74)
68	Merchant Banks (13)	171.28	−0.8	—	5.01	—	172.68	172.61	172.72	172.49	141.67	179.36 (2/7)	143.07 (20/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (50)	491.26	−0.5	3.92	2.86	34.52	493.74	492.96	494.86	495.32	453.25	517.77 (2/4)	435.73 (16/1)	517.77 (2/4/81)	56.01 (20/4/65)
70	Miscellaneous (10)	181.21	−1.5	17.67	5.93	6.88	183.90	184.51	185.17	185.13	147.05	186.99 (13/8)	165.30 (19/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	321.98	−0.9	—	4.96	—	325.05	324.09	325.25	325.37	270.22	332.90 (17/8)	271.01 (23/1)	332.90 (17/8/81)	71.63 (13/12/74)
81	Mining Finance (3)	264.93	−2.8	13.29	5.16	8.86	272.65	272.33	275.71	281.73	248.36	296.26 (14/8)	200.76 (6/2)	296.26 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (19)	416.40	−0.2	11.19	7.14	11.39	417.35	422.69	429.29	431.44	433.25	488.51 (18/5)	416.40 (4/9)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	327.64	−1.5	—	5.55	—	332.53	332.37	332.54	334.63	289.93	338.64 (17/8)	278.20 (14/1)	338.64 (17/8/81)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri. Sept. 4	Day's change %	Thurs. Sept. 3	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	106.95	+0.09	106.86	—	7.82
2	5-15 years	103.28	−0.37	103.66	—	8.65
3	Over 15 years	103.81	−0.41	104.24	—	10.34
4	Irredeemables	112.77	−0.76	113.64	—	9.05
5	All Stocks	104.36	−0.23	104.60	—	8.86
6	Debentures & Loans	80.82	−0.29	81.06	—	7.67
7	Preference	62.17	+0.04	62.15	—	5.39

	AVERAGE GROSS REDEMPTION YIELDS		Fri. Sept. 4	Thurs. Sept. 3	Year ago (approx.)	1981 Highs	1981 Lows
	British Government						
1	Low Coupons	5 years	12.56	12.50	11.91	12.97 (21/7)	11.20 (20/3)
2		15 years	13.33	13.25	11.90	13.53 (20/7)	11.86 (20/3)
3		25 years	13.57	13.49	11.90	13.79 (20/7)	11.88 (6/1)
4	Medium Coupons	5 years	14.73	14.69	13.31	15.13 (21/7)	12.91 (20/3)
5		15 years	15.33	15.25	13.28	15.60 (21/7)	13.32 (20/3)
6		25 years	14.87	14.78	13.25	15.19 (21/7)	13.05 (20/3)
7	High Coupons	5 years	14.70	14.65	13.41	15.11 (21/7)	12.93 (20/3)
8		15 years	15.49	15.40	13.70	15.77 (21/7)	13.54 (20/3)
9		25 years	15.08	15.01	13.42	15.38 (21/7)	13.15 (20/3)
10	Irredeemables†		13.18	13.06	11.45	13.18 (20/7)	11.35 (20/3)
11	Debs & Loans	5 years	15.96	15.87	14.31	16.02 (18/8)	13.80 (27/3)
12		15 years	16.05	15.98	14.12	16.19 (21/7)	14.16 (27/3)
13		25 years	16.08	16.03	14.05	16.21 (21/7)	14.25 (27/3)
14	Preference†		15.83	15.84	14.68	16.39 (4/8)	14.29 (27/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Miscellaneous Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	*Food Manufacturing*	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26½p.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS—contd.

Clive Investments (Jersey) Ltd.
P.O. Box 86, St. Peter Port, Guernsey. 0481 26521
*Prices on September 3. Next dealing September 10.

Cornhill Ins. (Guernsey) Ltd.
P.O. Box 157, St. Peter Port, Guernsey

Guinness Mahon Fd. Mgrs. (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506.
Prices at Sept. 2. Next dealing Sept. 26.

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521

Management International Ltd.
Bk. of Bermuda Bldg., Bermuda. 809-295-4000
Prices Aug 28. Next dealing Sept 7.

Midland Bank Tst. Corp. (Jersey) Ltd.
28-34, Hill St., St. Helier, Jersey. 0534 36281

Schroder Mngt. Services (Jersey) Ltd.
P.O. Box 195, St. Helier, Jersey.

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, EC2.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Am. Gth. Tst.	63.5	68.3	-1.2	2.12
Abbey Capital	52.3	56.0	-0.9	3.88
Abbey General	62.8	66.8	-1.4	4.57
Abbey Gilt & F.I. Tst.	96.2	101.3xd	-0.2	12.93
Abbey Income	38.4	41.5	-0.6	8.45
Abbey W'w. Bd. Tst.	98.2	103.9	+0.1	6.44
Abbey Inv. Ts. Fd.	57.5	62.1xd	-0.5	3.66
Equitas Prog. Tst.	89.3	96.5	-1.9	4.23

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314

AHR Gilt Trust	82.9	87.2xd	.....	13.25

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	95.0	101.7xd	-1.7	5.14
Brit. Inds. Fund	81.5	87.2	-1.2	5.85
Growth & Income	55.9	59.8	-1.0	4.38
Elect. & Ind. Dev.	50.0	53.5	-1.1	4.49
Allied Capital	107.5	115.0	-2.2	3.82
Hambro Fund	143.3	153.3	-2.9	5.25
Hambro Acc. Fund	204.5	218.8	-4.0	3.75
Income Funds				
High Yield Fd.	68.1	72.9xd	-0.7	8.23
High Income	84.1	90.0xd	-1.4	7.11
Equity Income Fd.	49.0	52.4xd	-0.7	7.04
Govt. Secs.	23.8	24.4	.....	12.70
International Funds				
International	38.5	41.2xd	-0.5	2.06
Japan Fund	31.0	33.3	-0.2	0.47

[illegible]

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	35.9	39.2xd	-0.4	11.60
North American	64.1	69.3	-1.6	2.45
Canadian Exempt*	77.5	82.9	.....	2.80
Canadian Trust	67.8	73.3	-2.4	2.40
Mid Mount High Inc.*	45.8	48.4	.....	9.95
Recovery	57.7	63.1	-0.4	6.81
Gilt Trust	39.4	41.3xd	-0.1	14.03

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	43.8	47.3	-1.3	0.52
Cres. Internat'l.	93.6	101.0	-1.1	1.69
Cres. High. Dist.	44.8	48.3	-0.5	9.32
Cres. Reserves	54.2	58.5xd	-1.1	5.15
Cres. Tokyo	42.4	45.8xd	-0.1	0.27

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	23.4	25.0	.....	7.17

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Aug 27	262.8	280.2	.....	4.71

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	18.9	20.9xd	.....	8.30
Gt. Winchester O'seas	30.8	34.2xd	.....	3.40

For Enson and Dudley see Robert Fraser Tst. Mgmt.

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	98.1	103.2	-2.0	4.25

Fidelity International Management Ltd.
62-63 Queen St, London EC4 1AD 01-248 4891

American	38.9	41.8	-1.2	0.40
Amer. Spec. Sits.	29.2	31.4	-0.8	0.05
Gilt & Fixed Int.	22.5	24.0	-0.1	13.35
Growth & Income	35.6	38.3	-0.4	6.51
Max. Inc. Eq. Tst.	30.3	32.6xd	-0.2	8.20

[illegible]

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP.
Equity Accum. (2)

Local Authorities' Mutual Invest. Tst.
77, London Wall, EC2N 1DB.
Property Fd. July 31
Wider Fund July 31
Narrower Fd. July 31
*Unauthorised. Available only to Local Authorities.

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ.

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1981 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's	P/E
343	208	ANZ SA1	328	-2	Q24c	3.6	4.5	6.2
289	233	Alexanders D. £1	240	...	17.0	—	10.1	—
*£61	£48¾	Algemene Fl.100	£58¾	...	Q25%	1.9	8.7	6.0
405	320	Allen Harvey £1	335	...	23.0	—	9.8	—
*116	100	Allied Irish	100	...	Q6.9%	5.5	8.5	3.1
21¼	16¼	Ansbacher (H.) 5p	16¼	...	0.15	—	1.3	—
355	234	Arbuthnot L. £1	307	...	12.0	—	5.6	—
310	260	Bk. Ireland £1	285	...	Q28.9%	—	7.8	—
*8	3	Bk. Leumi $0.1	4½	...	Q22%	—	3.5	—
256	170	Bk. Leumi (UK) £1	250	...	10.15	—	5.8	—
193	145	Bk. N.S.W. $A1	187	...	Q18c	2.9	5.9	5.8
443	285	Bank Scotland £1	440	-3	17.5	5.2	5.7	3.6
472	376	Barclays £1	455	-3	†18.5	5.5	5.8	3.7
243	182	Brown Shipley £1	219	-1	6.5	—	4.2	—
408	323	Cater Ryder £1	323	...	23.1	—	10.2	—
95	79	Charterhouse Gp	86	...	†4.51	1.7	7.7	(9.5)
50	34	Clive Dis'nt 20p	36	...	1.5	—	6.0	—
450	110	Com'l Aus. ($A1)	435	-5	Q20c	♦	2.8	♦
640	520	Com'zbk DM 10	580	...	—	—	—	—
935	560	C'hgn. Hdk. Kr100	860	...	Q14%	—	11.4	—
£15½	£13½	Cred. France F100	£13½	...	Q17¾%	—	12.7	—
19	14	Dawes (G. R.)	15	...	—	—	—	—
*£63¼	£53¾	Deutsche Bank DM50	£59¼	...	Q27½%	—	5.6	—
530	405	Dunbar Grp. £1	525	...	16.2	5.0	1.7	16.9
37¼	23½	First Nat. 10p	33½	-½	—	—	—	5.7
5	2¼	Do. Wrrts. 75-83	2¼	...	—	—	—	—
324	260	Gerrard Natnl.	272	...	24.0	—	7.4	—
290	218	Gillett Bros. £1	235xd	...	17.71	—	10.8	—
39	23	Goode D't Mry. 5p	39	-1	0.75	—	2.7	—
250	252	Grindlays	225	...	4.13	4.1	2.6	10.8
123	97	Guinness Peat	97	-4	7.0	—	10.3	—
190	113	Hambros 5p	180	-3	4.5	—	3.6	—
175	130	Hill Samuel	161	-1	7.0	—	6.2	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPERS, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

330	180	Colby Res. Corp.	210	......	—	—	—
310	220	Cons. Murch. 10c.	288	......	1030c	1.8	6.1
9½	6	††Esperanza Gold	9½	......	—	—	—
98	55	††Hamerdon 10c.	62	......	—	—	—
180	100	Highwood Res.	160	−5	—	—	—
585	380	Northgate C$1	575	−5	—	—	—
623	372	R.T.Z.	532	−28	16.0	3.2	4.3
£130½	£93½	Do. 5½%Cu.Ln.'85-2000	£119½	−3	Q5½%	—	f8.1
103	25	††SPO Minerals 10p	25	......	—	—	—
47	22	Sabina Inds. C$1.	27	......	—	—	—
44	23	††SW/CM 10p	32	......	—	—	—
585	465	Tara Exptn. $1	502	+2	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ♥ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- § Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ No par value.

◆◆ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ££ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	46	......			
Bertrams	19	......			
Bdgfwtr. Est. 50p	465	......			
Craig & Rose £1	£19	......			
Finlay Pkg. 5p	22	......			
Graig Ship. £1	£28	......			
Higsons Brew	67	−3			
Holt (Jos) 25p	320	+5			
I.O.M. Stm. £1	178	......			
Pearce (C. H.)	263	......			
Peel Hldgs.	160	......			
Sheff. Refrshmt	92	−1			
Sindall (Wm.)	154	......			
IRISH					
Conv. 9% '80/82	£92¾	......			
Nat. 9¾% 84/87	£81¼	......			
Fin. 13% 97/02	£73¾xd	......			
Alliance Gas	62	......			
Arnott	225	......			
Carroll (P.J.)	78	−½			
Concrete Prods.	98	......			
Heiton (Hldgs.)	29	......			
Irish Ropes	46	......			
Jacob	64	......			
T.M.G.	15½	−½			
Unidare	75	......			

OPTIONS

3-month Call Rates

Industrials		House of Fraser	14	Utd. Drapery	6½
A. Brew	6½	I.C.I.	20	Vickers	16
BOC Intl.	11	"Imps"	7	Woolworths	6
B.S.R.	7	I.C.L.	6		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
F.N.F.C.	3	Rank Org. Ord.	13	Shell	[illegible]
Gen. Accident	15	Reed Intl.	25	Tricentrol	30
Gen. Electric	60	Spillers	5	Ultramar	44
Glaxo	20	Tesco	5½		
Grand Met.	15	Thorn EMI	30	**Mines**	
G.U.S. 'A'	44	Trust Houses	15	Charter Cons.	22
Guardian	5½	Tube Invest.	18	Cons. Gold	45
G.K.N.	15	Turner & Newall	20	Lonrho	9
Hawker Sidd.	25	Unilever	50	Rio T. Zinc	45

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 20

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Saturday September 5 1981

MAN OF THE WEEK

Down Under cavalier

BY COLIN CHAPMAN

ALAN BOND likens his style to the work of French impressionist painters. "They saw things as they are and not as some people would like to see them," said Mr Bond, the Australian entrepreneur who stunned stock markets by making a $136m personal bid to buy Perth's famous Swan Brewery. "They were masters of instantly perceiving the concept of a thing as it appears when you first flash your eyes at something—just like me."

Bond's current vision is for his public corporation, Bond Corporation, of which he personally controls about 53 per cent, to be jet-propelled into the top ten list of Australian companies within the decade. "I see no reason why I can't achieve that," he says, "two years ago we were not in the top 100 companies. Now we are in the top 60, and within a few years we will be in the top 20.

Bond's brashness, his flair for publicity, his passion for competitive international yachting, his controversial involvement in the diamond business through Northern Mining's stake in the world's largest diamond mine at Lake Argyle, Western Australia, belie the calculating businessman who has always been prepared to take a gamble.

Earlier this year he arranged

Alan Bond
Learnt business the tough way

letters of intent to supply about 10m tonnes of steam coal to Italy, Thailand, Hong Kong and Singapore, even though his group at the time did not have the capacity to supply it. But this the company made bids for new mining areas in Queensland and New South Wales.

Bond learnt business the tough way. The son of a coal-miner he arrived in Perth as a 13-year-old schoolboy migrant from England, 30 years ago. He hated school, and became an apprentice painter and sign-writer, studied accountancy at night school, and, at the age of 17, married Eileen Hughes, then 16, the daughter of an affluent Perth woolbroker.

One of his first jobs was painting real estate signs, but when he saw how quickly the land sold, he decided that was the business he should be in. So he got a loan of $20,000 bought some land in the hills outside Perth considered too steep to develop, had it subdivided, and within two months repaid the loan. He claims to have made his first million at the age of 21.

His business grew and grew, but in the mid-1970s he nearly lost his company in a large property shakeout. The experience made him less aggressive and more cautious and he learned the importance of spreading his investments across more than one area.

It is a mix that Bond intends to maintain for the 1980s. From 1983 the company's controlling revenue in Reef Oil and Basin Oil will be generating substantial revenue from South Australia's Cooper Basin. Santos, in which he has 13.79 per cent, will be a significant oil producer by then, and he hopes that his acquisition of Walton's once a rather downbeat chain of 86 department stores, into a strong retailer with a banking arm, will push him up the league table, as well it should.

Bond's personal investment in his company is estimated to be worth about A$100m; his lifestyle reflects this, with yachts, expensive cars, a A$1m home in Perth's top suburb, and houses elsewhere.

He has a cavalier attitude towards industrial relations: fortunately for him most of his activities are in areas unlikely to attract union attention. "I cannot tolerate strikes," he says. "What would my workers say if I go on strike and say I am not going to sign any more pay cheques today? It would be unacceptable to them but it is equally unacceptable to me when the workers of Australia do not come to work. Singapore (where strikes are illegal) has the right idea."

TUC factions reach uneasy pact on wage bargaining

BY CHRISTIAN TYLER, LABOUR EDITOR

TRADES UNION leaders of the left and right meeting in Blackpool yesterday struggled to an uneasy agreement over the future of wage bargaining under a Labour Government.

Three motions down for debate at next week's Trades Union Congress appeared to rule out any kind of deal with the Opposition or with a Labour Government.

But the TUC has already drawn up an economic document with the Labour Party which — although it does not actually talk about an incomes policy — says that unions would exercise some self-restraint in collective bargaining under a Labour management of the economy.

The document — entitled Economic Issues Facing the Next Labour Government — is to be put to the congress delegates for endorsement.

The dilemma was resolved by the TUC general council yesterday in the traditional manner. A composite motion supporting free collective bargaining was hammered out with words which both sides accepted as satisfying their different viewpoints.

That will not prevent the pro- and anti-pay policy factions from setting out their rival interpretations of the motion when it is debated on Wednesday.

The motion says that increased purchasing power is central to the success of the TUC's "campaign for economic and social advance." Wages were not the primary cause of inflation and unemployment.

It continues: "Congress reaffirms its support for free collective bargaining and is opposed to any pay restraint policies, pay norms or statutory restraints which would interfere with the rights of unions to determine their own policies, and resolve their own negotiating procedures and settlements.

"To this end, congress does not agree to any discussions on pay restraint."

Left-wing unions moving or supporting the motion will say that it means exactly what it says. The moderates will agree, but will add that it does not prevent what it does not specifically rule out—namely, discussions with the Labour Party or Labour Government on a whole range of economic variables such as prices, profits, dividends and earned incomes.

Mr Len Murray, TUC general secretary, said that the general council accepted the motion unanimously. The motion dealt with pay restraint as such but did not forbid discussions with a Government "genuinely seeking an understanding of the way that the economy is managed." But everything would have to be on the agenda.

During the meeting, Mr Murray told the general council that, if a Labour Government was elected, it would be the document that mattered, not the motion.

A leading incomes policy supporter commented later: "On the basis of what Len Murray says, we agreed to submerge our differences and accept the motion."

The left, however, believed that no Labour Government would be able to meet the kind of conditions that the TUC is about to insist on if wages are to figure in any pact.

The joint document produced by the TUC-Labour Party liaison committee says that a "national economic assessment" would have to be made.

In theory, the TUC would strike a bargain with the present Government provided that every facet of the economy was open for discussion. In fact, no-one in Blackpool even contemplates that possibility.

Healey's hopes, Page 3

Top French banks will cut prime to 14.5%

By David White in Paris

FRANCE'S LEADING banks are to cut their prime lending rates from 15.3 per cent to 14.5 per cent on Monday after pressure from the Finance Ministry.

The cuts, announced yesterday, were prompted by an angry attack on the banks by M Jacques Delors, the Finance Minister and by a new regime of interest terms for short-term deposits designed to lower the cost of funds to the banks.

The Government's move to reduce domestic lending costs is part of its effort to stimulate investment, but some companies expressed fears that the means chosen might prove more of a handicap than an incentive.

Small French companies are thought to be the ones most likely to be hit by the restrictions on earnings from bank deposits.

The interest rate moves brought a negative reaction from the foreign exchange markets, though to a lesser extent. The franc lost fractionally against the D-Mark and more noticeably against the Swiss franc. However, it improved against the recently weaker dollar, which dropped to FFr 5.802 from FFr 5.817 on Thursday.

The lending rate cut was led by two big state-owned commercial banks, Credit Lyonnais and Societe Generale, which were M Delors's main targets.

Credit Commercial de France, the leading independent bank, followed the move, and other banks were expected to fall into line by the time the new rates come into effect on Monday.

The Government's idea is to shelter industry from the high international interest rates with which France has to keep up to defend the franc.

M Delors has set a target of bringing down base rates to 14 per cent. This is equal to the most optimistic current projections for French inflation this year.

The cut announced yesterday was larger than expected after Thursday's measures. The reduction on the cost side for banks was reckoned to justify a base rate drop of 0.6 percentage points, which would have left the rate at 14.7 per cent.

Delors attacks Poehl, Page 2
Moneymarket, Page 19

Tornado output may be slowed as defence budgets tighten

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

A SLOW-DOWN in Tornado deliveries is being discussed by member companies of Panavia, the trinational consortium building the multi-role combat aircraft.

This follows strains on defence budgets in the three participating countries, particularly in the UK and West Germany.

Panavia comprises British Aerospace, Messerschmitt-Bolkow-Blohm in West Germany and Aeritalia in Italy.

Also involved is Turbo-Union, building the RB-199 engine for the Tornado, comprising Rolls-Royce, Motoren-und-Turbinen Union and Fiat Aviazione.

So complex is the Tornado equipment programme, involving more than 500 companies, that a slow-down of work in one country will inevitably affect the other two.

This would require a new production timetable for the entire project, so that the cut in production and deliveries might not materialise for several weeks.

It is not possible to guage the effects of any slow-down on jobs in the companies involved. It is estimated that in all three countries over 70,000 workers are involved on the programme.

Of the 809 aircraft planned, four production batches totalling 476 aircraft have been firmly authorised and contracted for. Tornado is considered so vital to three countries' air forces that concellation is out of the question.

The UK will have 385 Tornados, West Germany 324 and Italy 100 at a total cost of £10bn. More than 40 have been delivered.

The slow-down in deliveries has been requested particularly by the UK Defence Ministry, following problems arising from overspending in the 1981-82 defence budget. It has been suggested unofficially that overspending on some programmes could amount to 20 per cent, although it is not suggested this is the case with Tornado.

A tightening of UK defence spending is in progress, with Tornado, hitherto unscathed, becoming involved for the first time.

It is understood the West German government, with budgetary problems stemming from under-estimating of Tornado costs, is not unwilling to consider a stretch-out of the Tornado programme.

Because the programme is an international one, undertaken through Nato (via the Nato Military Aircraft Management Agency, or Namma), the UK has to discuss the potential slow-down with its partners, and with both Panavia on the airframe and Turbo-Union on the engine.

It seems likely that the three governments will agree, through Panavia and Turbo-Union, to delaying the contract for the fifth production batch of aircraft, and stretching out deliveries of the existing 476 aircraft ordered, by slowing the production rate and the three assembly lines (one in each country).

Out of the RAF's 385 aircraft, it is intended that 220 will be basic Tornado aircraft, and 165 will be ADVs, making a total bill for the UK alone of well over £5.1bn.

This is already stretched out over most of the 1980s, with the last aircraft not likely to be delivered until around 1988-89. If the slow-down lasts for any time, Tornado production seems likely to stretch into the 1990s.

● The U.S. Navy may buy the British Searchwater anti-submarine radar in the not too distant future.

Mr John F. Lehman Jr, Secretary for the Navy, who is on a UK visit, flew in a Nimrod maritime reconnaissance aircraft yesterday and afterwards highly praised the Searchwater radar.

He described it as being "the best in the world" and said: "I would like to see it in our aircraft. We would have to have it if we wanted to stay ahead of the game."

Asked if this meant that an order was imminent, Mr Lehman said: "That is an open question," but he indicated that discussions on the radar, made by Thorn-EMI, had been held and were continuing.

Doubts over gas pipeline funds

BY RAY DAFTER, ENERGY EDITOR

TREASURY OFFICIALS fear that the Government may be forced to fund the entire £2.7bn gas gathering pipeline network proposed for the North Sea.

They are also worried that ultimately oil companies will not produce and transport as much natural gas as originally thought.

The Treasury doubts, which became clearer yesterday, have left the future of the proposed pipeline network — potentially one of the most ambitious engineering projects to be undertaken in Britain — hanging in the balance.

Although the Treasury has still to make up its mind on whether to support the project, it is evident that many officials are concerned about its viability. They suggest it might be better to leave the oil companies to build their own individual gas-collection pipelines.

The Treasury is preparing its report on the project for a crucial meeting of Ministers in Downing Street on Thursday which may well decide on the venture.

The steering committee of British Gas Corporation, Mobil and British Petroleum has told the Government an urgent decision is needed.

The committee remains convinced that the most economical way of tapping the 11 trillion (million, million) cubic feet of unexploited natural gas in the central and northern parts of the North Sea would be through a comprehensive gas-gathering network about 420 miles long.

The Energy Department and the Scottish Office share this view but the Treasury is unsure.

During the past year, banks have told the Government they would not fund the project without some state assurance that the pipeline would be built and used. Oil companies have indicated they would not be prepared to be partners in a new pipeline company without concessions.

Energy Department officials, the steering committee and the oil industry all dispute the Treasury assertion that companies might boycott the pipeline company, leaving the state — essentially British Gas — funding the entire project (some £1.5m at present prices).

One suggestion to be put to Mrs Thatcher next week will be the formation of a pipeline company in which British Gas would have a leading role.

It is possible that British Gas would underwrite the carriage of specified amounts of gas on a notional basis and that oil companies would take over these commitments as they agreed to exploit and transport gas.

Oil industry officials said that companies would be willing to join, providing they could be assured of realistic gas prices.

These could be achieved either by the Government breaking British Gas Corporation's monopoly right to buy offshore gas, or by the Energy Department fixing a price linked to crude oil or oil products.

Weather

UK TODAY

RAIN in north, otherwise dry with sunny intervals.

London, Midlands, E. Anglia, S., S.W., S.E. and E. England, Channel Islands
Dry with sunny intervals. Max. 23C.

Wales, N.W. England, Lake District, Isle of Man
Cloudy, rain in place. Max. 18C.

N., N.E. England
Dry but cloudy. Max. 20C.

Borders, Edinburgh, Dundee, Aberdeen, Glasgow, Highlands, Moray Firth, S.W. Scotland and N. Ireland
Scattered showers and sunny periods. Max. 16C.

N.E., N.W. Scotland, Argyll, Orkney, Shetland
Showers, bright intervals. Max. 15C.

Outlook: Mostly dry and warm.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	23	73	C. Ang.†		—	—
Algiers	S	28	82	Luxmbg.	S	18	64
Amsdm.	S	21	70	Luxor	S	42	108
Athens	S	31	88	Madrid	S	27	81
Bahrain	S	35	95	Majorca	C	27	81
Barcina.	F	26	79	Malaga	S	27	81
Beirut	S	29	84	Malta	F	28	82
Belfast	F	20	68	M'chstr	S	21	70
Belgrd.	C	20	68	Melbne.	C	13	55
Berlin	F	20	68	Mx. C †		—	—
Biarritz	S	23	73	Miami†		—	—
Bmghm.	S	21	70	Milan	C	18	64
Blckpl.	S	21	70	Montrl.†		—	—
Bords.	S	24	75	Moscow	F	15	59
Boulgn.	S	21	70	Munich		—	—
Bristol	S	21	70	Nairobi		—	—
Brussels	S	20	68	Naples	F	20	68
Budpst.	S	22	72	Nassau		—	—
Cairo	S	31	88	Nwcstl.	S	23	73
Cardiff	S	21	70	N. York†		—	—
Cas'b'ca	S	25	77	Nice	C	22	72
Cape T.		—	—	Nicosia	S	29	85
Chicg.†		—	—	Oporto	S	32	90
Cologne	S	20	68	Oslo	C	16	61
Cphgn.	C	17	63	Paris	S	22	72
Corfu	F	24	75	Perth	R	21	70
Denver†		—	—	Prague	F	18	64
Dublin	C	21	70	Rykjvk.	S	8	46
Dbrvnk.		—	—	Rhodes	S	27	81
Ednbgh.	F	21	70	Rio J'o†		—	—
Faro	S	28	82	Rome	F	26	79
Florence	C	23	73	Salzbrg.	C	17	63
Frankft.	S	20	68	S'cisco†		—	—
Funchal	F	24	75	S. Mritz		—	—
Geneva	C	16	61	Singapr.		—	—
Gibrltr.	F	25	77	S'tiago†		—	—
Gl'sg'w	C	19	66	Stckhm.	F	16	61
G'msey	S	20	68	Strasbg.	S	20	68
Helsinki	C	13	55	Sydney	F	16	61
H. Kong	R	26	79	Tangier	F	30	86
Innsbrk.	C	26	68	Tel Aviv	S	29	84
Invrnss.	C	20	68	Tenerife	S	24	75
I. o Man	C	17	63	Tokyo	F	29	84
Istanbul		—	—	T'r'nto†		—	—
Jersey	S	20	68	Tunis	F	30	86
Jo'burg		—	—	Valencia	F	26	79
L. Plms.	S	24	75	Venice	C	19	66
Lisbon	S	28	82	Vienna	S	20	68
Locarno	C	19	66	Warsaw	C	16	61
London	S	21	70	Zurich	F	16	61

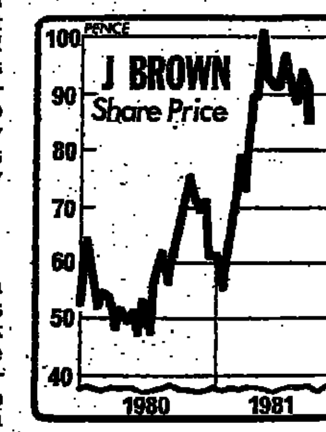
C—Cloudy. F—Fair. R—Rain. S—Sunny.
† Noon GMT temperatures.

THE LEX COLUMN

Body-building at John Brown

Equities finally succumbed to the weakness transmitted from Wall Street yesterday, and the FT 30-Share Index closed the week 18.9 points down. John Brown's rights issue did not help; £25m may be a small enough bite, but it follows closely enough behind Trusthouse Forte's £57m issue to suggest that there may be plenty more when the company results season gets under way properly next week.

Index fell 13.1 to 554.9



John Brown

Since its last rights issue in November 1978 John Brown's pre-tax profits have fallen back from £28m to £14m, but despite all th eproblems in UK manufacturing the business as a whole has a healthier look now than three years ago. In particular, Brown has found its elusive fourth leg in the form of the U.S. plastics machinery business Lessona, acquired for $80m. This has given a more balanced geographical spread and helped compensate for the weakness of the machine tool business, one of the original legs which has developed a nasty case of gangrene.

But the purchase of Leesona, and a subsequent rise in the working capital needs of the gas turbine division, have raised gearing considerably. In the March balance-sheet long-term debt of £57m was offset by £23m of net cash, but cash balances were unusually high, and total net debt on a more normal basis could have been nearer 45 per cent of the £107m of shareholders' funds. Since then, Brown has spent $12m on two smallish U.S. companies, and yesterday's statement hinted that Brown has plenty of other investment ideas.

These ambitions, and a buoyant share price, explain yesterday's £24.9m rights issue well enough. It will bring down debt to around a fifth of equity and leave plenty of room for the group, which spent £6.7m last year on shrinking, to grow again. It must certainly be confident of growth: the 1-for-3 issue will lead to a heavy increase in the dividend liability, and last year — admittedly at the bottom of the cycle—it was only through a tax credit that Brown was able to show current cost cover for its dividend.

The share split and scrip issue since the 1978 rights issue tend to obscure the fact that the offer price then was equivalent to 73p with the shares in their present form. Shareholders are now being asked to put more money in at the not very different price of 76p. They will probably not begrudge it too much; with a little help from the rights issue cash profits could be back to £20m in the year to March, and the yield at an ex-rights price of 82½p is 7.4 per cent.

ACC

Until recently last year's extraordinary battle for control of Westward Television could have been written off as one of those things that justify the newspaper-reading habit. But the latest round of shenanigans at Associated Communications Corporation makes it look as if the method devised by the state to control the television contractors is fundamentally unsound. One result of the furore may be to build up pressure on a complacent Independent Broadcasting Authority to end its promotion of the voting/non-voting share distinction.

ACC's problems are no secret. In the year to March it was only able to limit the attributable loss to £6.7m by selling rights to future television receipts for £22.7m. The poor response to its current films may easily signify another loss this year and further sales of assets may benecessary. So a company built up since the 1950s to a major force seems to be rapidly shrinking again. Yet Lord Grade, the chairman, states: "I started this company and I am entitled to make one or two mistakes."

If Lord Grade, who has 27.6 per cent of the votes, can keep key members of the Board loyal, no one outside can argue with him. This week's abortive challenge from Mr Jack Gill, the managing director, presumably over future strategy in films, misjudged the Board's reaction. Mr Gill has left with his 15 per cent of the votes, but even without him the Board controls well over half the total. Pension funds holding 8 per cent of the non-voting shares have set up a "watching brief" committee, but its sanctions will be limited to vigorous lobbying.

The ultimate sanction belongs to the IBA which can remove broadcasting contracts. But this is a blunt instrument from the point of view of shareholders; after all a Board might be prepared to lose its contract to retain control of a company. It was never envisaged when the voting / non-voting distinction was devised that contractors would use their cash flow to diversify so widely. The problem is not simply one of succession, which a company like Granada has coped with. Technological change as the airwaves open up will require heavy investment. Yet with the example of Westward and ACC before them, the institutions will be extremely reluctant to hand over cash hostages for non-voting shares. Unless the rules are changed the existing contractors may find themselves overtaken by newcomers before the decade is out.

Wettern Brothers

Strange events are unfolding at Wettern Brothers, which is trying to sell its concrete division, Mono. Mono is not making any money, but its slice of the market is of value to a competitor. £ 1.3m bid from Marshalls (Halifax), which has a 27 per cent stake in Wettern, was topped by the Charterhouse company Charcon with an offer of £1.65m. The Wettern directors have since arranged to sell Mono to Marshalls for just £50,000 more than this sum, on condition that Marshalls' higher offer should not be published until more than half the shareholders had agreed to it.

In accepting these curious terms from the buyer, Wettern and its advisers must have felt that £1.7m was the highest bid they could expect. It follows that a letter from Charcon, asking to be notified of any offer above its £1.65m, must have got lost in the post. Charcon is now saying that it is prepared to pay £1.95m—a sum well above Wettern's entire market capitalisation—and it would like to know whether the independent shareholders who agreed to the hush-hush bid of £1.7m were told that Charcon was still keen. Presumably all these misunderstandings will be sorted out at a friendly little EGM.

Continued from Page 1

Toshiba issue halted

drawing from planned Japanese convertibles unless the terms of new issues are modified to meet market conditions.

In addition to the Toshiba postponement, it is understood that several managers may withdraw from a $100m issue for Sanyo Electric unless it is postponed. A decision on this issue and also on a $30m convertible from Settsu Paper Board is expected next week.

At CSFB, Mr Dobbs-Higginson stressed that the Toshiba decision was "in the best interests of both Toshiba and, as importantly, the market." He said the Euromarket had been swamped by Japanese convertibles and could not absorb many more.

While the Japanese convertible market suffered in London, the Swiss market for foreign bonds experienced one of its worst weeks in a long time. On Tuesday the Swiss National Bank raised the discount rate 1 per cent to 6 per cent and then declared it would fight inflation with higher interest rates.

Continued from Page 1

John Brown

is raising a net £24m so that further acquisitions and expansion can be made with prudence.

No profit forecast is made for the current year. In July, the group reported a fall in pre-tax profit in the year to March 1981 from £21.1m to £14.2m. The directors undertake to maintain the 4.25p total dividend on the enlarged capital. But the new shares will not rank for the final dividend in respect of 1980-1981.

The 32.7m shares in the issue are offered to shareholders on the record on August 28.

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